

THE TIMES




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Nuclear cut-back pledge honoured

Defence leak reveals £2bn sale of assets

By Andrew Pierce, Political Correspondent

THE Government will announce today that the Ministry of Defence is to sell off assets worth £2.2 billion to help to pay for its far-reaching plans to modernise the Armed Forces.

The proposal is contained in the Government's strategic defence review, a copy of which was leaked to *The Times* last night.

George Robertson, the Defence Secretary, will announce the radical plan to sell off land, stock and buildings in a statement to MPs in the House of Commons today.

The 56-page document confirms recent indications that the Government will cut its nuclear deterrent by half. The Government will confirm its pre-election pledge to reduce to 48 the maximum number of 96 warheads on its fleet of three Trident submarines, which will be increased to four at the start of the next century.

The defence ministry will also reduce the number of frigates and destroyers from 35 to 32. In a move that will provoke a Tory charge that the review has been Treasury-driven, Mr Robertson will announce a cut of 36 frontline defence aircraft. There will also be a further big exodus of



Robertson: front line aircraft to be cut

troops from Germany back to Britain.

The review also identifies a need to cut the £9 billion annual procurement bill for new equipment. The Procurement Executive will be turned into a defence agency next April. By the creation of a single defence customer in the ministry the review estimates that it will achieve a £2 billion saving in acquisition costs over the next ten years.

The leak of the detailed document will seriously embarrass the Government, com-

ing only days after Betty Boothroyd, the Speaker, rebuked ministers for announcing government policy in newspapers rather than on the floor of the House of Commons.

Mr Robertson's statement will come only six days before Gordon Brown, the Chancellor, announces the results of the comprehensive spending review. The Ministry of Defence has obliged him by offering up to £2.2 billion of assets sales.

The document, which is illustrated with photographs of troops in action all over the world, says: "In addition to fighting equipment, the Ministry of Defence holds very substantial assets principally in the form of stocks, land and buildings. Most are essential to defence output. But the review has recognised that insufficient attention has been paid in the past to keeping asset holdings to the minimum necessary level."

"Comprehensive reviews of stockholding and the defence estate have identified major savings. On this basis the review has set a new target of 20 per cent or £2.2 billion reduction in the book value of holdings over the next three years. Although the market value of disposals will be limited, this will allow us to make substantial reductions in storage and distribution infrastructure."

A wide range of properties, particularly in London, will go under the auctioneer's hammer. The property sell-off will be increased to generate £700 million over the next four years, double the figure that had been expected. The Duke of York barracks in Chelsea, central London, will be among the properties to be sold.

The drive for greater efficiency has led to a big reduction in the number of civilian employees during the past decade. The process will continue. The document says that "there will be some reduction in civilian posts arising from specific measures and others may be re-located... compulsory redundancy will be kept to the minimum."

The document confirms that the number of aircraft carriers will be cut from three to two from about 2012. They will be of between 30,000 and 40,000 tonnes and capable of deploying up to 50 aircraft including helicopters.

The review has concluded that the Royal Navy requires a stockpile of fewer than 200 operationally available warheads. "This is a reduction of a third from the maximum of 300 announced by the previous Government and represents a reduction of more than 70 per cent in the explosive power of the deterrent since the end of the Cold War."

Army cadets, page 8



Supporters of Holland and Brazil partying together in Marseilles before the World Cup semi-final match

Top firms miss the cup final

By Jason Nisse and Matthew Barbour



This is the last time I'm accepting any corporate entertainment

AROUND 2,500 business people have been left without tickets for this Sunday's World Cup final in Paris after the collapse of a company selling corporate packages for up to £2,299 each.

Liquidators of International Championship Management, based in central London, have written to companies including IBM, Amstrad, Bovis, DHL, Ernst & Young and L'Oréal, telling them that the tickets they thought they had bought for both the final and tomorrow's semi-final at the Stade de France cannot be delivered.

The companies have paid

an estimated £3 million for corporate hospitality packages that include *cordon bleu* catering, transport to the ground, five-star hotel accommodation and tickets. ICM has sold 2,500 packages at between £999 and £2,299 each for the final, and around 1,700 packages for the semi-final between France and Croatia at around £699 each. It has also been selling packages for games all through the World Cup.

ICM, whose client list includes more than 230 companies across Europe, collapsed late last month. A letter sent to ICM's creditors from

K.S.Tan, the accountants dealing with the liquidation, reads: "We write to advise you that the above company has ceased trading due to problems surrounding the failure of supply of the ticket element of World Cup hospitality packages."

The liquidators say that ICM never had the tickets for the games. It was relying on two licenced ticket brokers to supply them but was let down. Great Portland Entertainment, the London firm

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Peers defy Commons again over tuition fees

By James Landale, Political Reporter

THE House of Lords yesterday inflicted one of the largest defeats on a government when an all-party alliance of peers defied ministers for a third time over their plans for student tuition fees.

In what has become a trial of strength between the Lords and the Prime Minister, peers overwhelmingly rejected the Government's plans for variable rates of tuition fees in Scotland.

The scale of the defeat was almost twice that inflicted on the Government on the issue last week and sent a clear message that peers are prepared to risk a constitutional confrontation to assert their right to revise legislation.

Although the Lords normally backs down in these circumstances, peers believe that they have enough support from students and universities to maintain their resistance.

The Prime Minister's official spokesman insisted that the Government had no intention of backing down when the issue returns to the Commons next week. "The Government thinks its policy is right. We have to keep explaining what the policy is, as opposed to what people say it is," he said.

After a passionate debate, peers voted by 319 to 108 to send the so-called "Scottish anomaly", contained in the Teaching and Higher Education Bill, back to the Commons for a third time. Under the anomaly, English, Welsh and Northern Irish students at Scottish universities — which generally have four-year degree courses — would have to pay annual tuition fees for each year but their Scottish counterparts would pay for just three years.

The opposition alliance that defeated the Government comprised 202 Tories, 46 Liberal Democrats, 66 cross-benchers, two Labour rebels — the former ministers. Continued on page 2, col 5

Cash-for-access lobbyist regrets 'my big mouth'

By Philip Webster and Michael Gove

DEREK DRAPER, the lobbyist at the centre of the cash-for-access row, tried to take the pressure off the Government yesterday by admitting that he had been brash and boastful about his contacts with ministers and advisers.

But as the Prime Minister told ministers and advisers that the Government had to be "purer than pure", Mr Draper declared that neither he nor anyone in the Government had done anything wrong.

In an interview with *The Times* today, the former Labour aide says: "I am disappointed that my big mouth has caused trouble, not just for the party and the Government but

for the people I admire and respect."

Mr Draper's intervention came as the Prime Minister went to the defence of Roger Liddle, his policy adviser and former business associate, over the accusations that he had used his position to favour the lobbying company for whom he used to work.

The move coincided with an increasingly outspoken counter-offensive by Downing Street against the charges, levelled in last Sunday's edition of the *Observer*, based on lengthy conversations between journalists posing as American businessmen with Derek Draper and other lobbyists who used to work for the Labour Party.

Greg Palast, one of the journalists and the main author of the *Observer* investigation, was subjected to a series of attacks claiming that he was an activist with his own agenda. The Prime Minister's

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Abiola dies 'of a heart attack'

By Michael Binyon, Diplomatic Editor

NIGERIA was thrown into fresh turmoil yesterday after Chief Moshood Abiola, 60, the detained opposition leader, collapsed and died at a meeting with visiting US officials, according to a statement by the country's military rulers.

His death, possibly of a heart attack, came in the midst of intensive international negotiations over his release. The statement said a post-mortem would be carried out if the family permitted it.

Chief Abiola, who was the presumed winner of the 1993 election, was originally sentenced to death under General Sani Abacha, the dictator who died last month. He had been charged with treason after claiming the presidency.

The dramatic circumstances of his death circulated quickly. He had only just begun his meeting with the senior American delegation, led by



Abiola: collapsed while meeting US officials

Thomas Pickering, a State Department official said Chief Abiola began coughing and wheezing and apparently died of a heart attack.

Until two weeks ago he had been held in extremely harsh conditions and his general health was thought to be poor.

Junta's victim, page 14


More troops for Ulster

Hundreds of extra troops are being sent to Northern Ireland, and Tony Blair is to meet leading Orangemen amid warnings that the Province will be beyond control unless the Drumcree standoff is resolved. The anniversary of the Battle of the Boyne will be celebrated by the Orange Order on Monday, and the fear is that Orangemen will descend on Drumcree in such vast numbers that the security forces will be unable to hold the line. Page 4

Stock Exchange in German link

The London Stock Exchange and Deutsche Börse, its German rival, yesterday took the first steps towards creating a single European stock market. The two exchanges unveiled plans for a strategic alliance with the shares of 300 blue-chip companies. The move will create the second largest stock market in the world. Page 23

Oh Hugo, it's beautiful!
Charles, actually



Getting hitched?

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Paris fights America's towering ambition

FROM BEN MACINTYRE IN PARIS



Eiffel Tower: takeover bid is part of bank deal

THE French are fighting the most serious affront to their dignity since a Disneyland appeared outside Paris and Britain put the Eurostar terminal in a station named after the scene of Napoleon's defeat.

The Americans are on the brink of taking control of the Eiffel Tower. Paris councillors have been warned that if a bank privatisation plan goes through later this month, the company that administers France's most popular tourist attraction would become part of General Motors. "That would be inconceivable," said Philippe Dominati, a conservative city councillor. Defenders of French culture are already smarting at

the steady spread of American-English culture across France.

The company running the Eiffel Tower is owned in large part by the loss-making bank, *Credit Foncier de France*, which in turn is principally owned by the French state. The French finance minister is to rule on takeover bid by GMAC, the financial services arm of General Motors, and Bass, a group of Texan investors.

M Dominati said that any deal should include an exemption for the Eiffel administrators, who would be retained by the city of Paris.

The 984ft tower, dating from 1889, has six million visitors a year, spending about £26 million. For less than one tenth of the annual revenue, the French authorities

could obtain a controlling stake in SAGI, the administering company, thus ensuring that the Eiffel Tower will continue to be French run.

Jean Tiberi, the mayor of Paris, insisted yesterday that the ownership of the tower was not in doubt, but said that he had written to Dominique Strauss-Kahn, the finance minister, warning him that the administration could effectively become American and demanding that the "interests of the city be safe-guarded".

Employees at the tower said they were confident that the government would step in to keep it French. To a politician, allowing the Americans to control the tower would be the career equivalent of throwing oneself off it.

Coming soon: a panacea for all your transport problems

Stephen Timms (Lab. Planet Zog, also East Ham) raised with environment ministers yesterday the problem of the Thames Gateway — whatever that is. He was almost the only MP not to be told that the solution was the Integrated Transport Strategy — *Coming Soon!* In modern ministerial discourse the Integrated Transport Strategy resembles the Philosopher's Stone of old: a mysterious object which, once unveiled, will turn everything to gold.

Transport Strategy? Animal, mineral or vegetable? Is it a bird or a plane, an argument, a plan or an invention? All we know is that, whatever it may be, the Government is convinced we need one: ministers have promised to produce one, and, once produced, the Integrated Transport Strategy will prove the answer to a thousand problems. One only hopes they patent it.

Is parking a difficulty for you? The Integrated Transport Strategy will solve it. Is your bus difficult of access? Are the kerbs too high for your pram? Is the M25 jammed at rush-hour? Is Derby bus station a mile's walk from Derby railway station? Fear not. Soon we shall have an Integrated Transport Strategy, and all will be well.

Jeff Ennis (Lab. Barnsley East & Mexborough) was concerned that traffic fumes are hastening death. The Environment Minister, Michael Meacher, reminded us that an Integrated Transport Strategy was on its way. Norman Baker (Lib Dem, Lewes) was worried about

ozone levels — ah, this, said Mr Meacher "is one of the reasons we need an Integrated Transport Strategy". Fiona MacTaggart (Lab, Slough) called for an annual roadworthiness test for vehicles. "The Integrated Transport White Paper comes out soon," trilled the Transport Minister, Gavin Strang. He did not tell us anything

sorry I failed to mention gas," stammered Meacher. Gas may be part of the Integrated Transport Strategy. Jacqui Lait (C. Beckenham) wondered when we could expect the Roads Review. Around the same time as the Integrated Transport Strategy, it seems, when "all her questions will be answered," Gillian Sheppard, Chief Opposition Spokesman, wanted to know about widening the M25. You can guess the reply.

Jonathan Shaw (Lab. Chatham & Aylesford) was concerned about public transport. The junior minister, Glenda Jackson, comforted him: "The Integrated Transport Policy White Paper will be out soon. Integrated Public Transport will be a key element."

Suspicious about this highly unspecific solution to every woe, we turned to the Tories: had they had a more concrete proposal? They sure had. Ann Winterton (Congleton) was certain how to reduce toxic vehicle-emissions. These, she advised, came mostly from "older engines owned by the less well-off". Solution? Why, simple! The Government should "encourage them to buy new cars". Silly really that the poor hadn't thought of that before. Come back, Marie Antoinette.



MATTHEW PARRIS
POLITICAL SKETCH

Doctors say that Viagra workload will cause chaos

By IAN MURRAY, MEDICAL CORRESPONDENT

THE virility drug Viagra is likely to be abused by those who seek to enhance their sexual performance and could add £1 billion to the nation's drug bill, doctors said yesterday.

They gave warning that the Government's plans to make the drug available only on prescriptions issued by consultants would cause chaos and make it almost impossible for the specialists concerned to do any other work. In an attempt to head off problems before the drug's expected licence in Britain in September, delegates resolved at the British Medical Association's annual meeting in Cardiff to demand "that the Government urgently review the mechanisms for the introduction into clinical practice of newly licensed expensive drugs".

The NHS spends £5.5 billion on drugs each year. If Viagra were prescribed to the estimated two million impotent men in Britain, the cost would use up a fifth of that amount. Tessa Jowell, the Public Health Minister, has announced that Viagra will be available on the NHS for those who clinically need it. Experts at the conference said that would mean at least one man in ten would qualify. The

cost will be enormous. I think there are more important priorities for spending but that is a decision the Government will have to make."

He said the abuse would occur because many people who were not impotent would think their performance would be enhanced by taking the drug. "If people pay for it privately and it is not doing them any harm I would have

no problems with it but if society at large is paying then I have a problem." If only 10 per cent of the impotent men in Liverpool were referred to him by their GP, it would double his workload.

Peter Holden, a Derbyshire GP, said that if he were to send his impotent patients to a hospital for assessment, it would take an entire urological team three months to see them all, leaving no time for them to do anything else. If they were prescribed the drug, it would add £125,000 to his practice's allocated drugs budget. "This drug has a high potential for abuse," he said. "If we carry on having drugs introduced by the media instead of by letters to the professions, we are going to be bounced into a very difficult position."

John Chisholm, chairman of the GPs' committee, said impotence caused huge distress: "It would be wrong to regard it as a recreation drug rather than one to treat a clinical need." The drug needed to be made available on the NHS but the Government would have to make an extra budget allowance over and above the extra £6 billion that the BMA claims the NHS needs already.

Delegates at the BMA con-



Holden yesterday: he forecast an extra £125,000 on his budget

ference also decided to open a national debate to discover whether the public wants them to be allowed to help terminally ill patients to commit suicide.

Delegates overwhelmingly rejected the idea that they should be forced to obey patients' requests to be allowed to die. But they backed a motion from junior doctors calling for a special

conference to thrash out a consensus on the issue.

Physician-assisted suicide is illegal but there is a grey area because many painkilling drugs also have the effect of shortening the life of seriously ill people.

John Marks, former BMA chairman, who is a GP in London, summed up the life-or-death dilemma that doctors were increasingly facing: "In

over 40 years in practice I have never deliberately killed a patient.

"But I have given them huge doses of drugs knowing full well I was shortening their lives. When my time comes, I want a doctor who will give me a lot of assistance."

The meeting overwhelmingly backed a call to set up a working party which will produce guidelines.

Lobbyist regrets 'my big mouth'

Continued from page 1

spokesman said: "We do not consider Mr Palast to be somebody whose judgment or evidence can be relied upon."

Mr Liddle's position was eased, and Downing Street seized the chance to attack when the newspaper said that it did not have a tape of the disputed conversation between Mr Liddle and Mr Palast, in which the adviser was alleged to have said: "Whenever you are ready just tell me what you want, who you want to meet and Derek and I will make the call for you." On Monday Mr Palast had declined to say whether there was a tape and gave the impression that there might have been.

Mr Blair, in his first public comments on the affair, said that he would take no action against Mr Liddle without proof of wrongdoing. He said: "I do not think it's right to dismiss someone and ruin their life and their prospects unless there is proof."

While Mr Draper took on the role of penitent — in one interview he called himself "a bit of tosser" — his former boss, Peter Mandelson, said that he was a "show-off" who was good at selling himself "and in the course of that making claims and boasts that really do not stack up."

But Mr Blair, clearly shaken by the potential dangers that the affair has revealed, warned against people "fluttering around the new Government, trying to make all sorts of claims."

The Prime Minister insisted that the very highest standards had to prevail. "We do as a new Government have to be extremely careful after 18 years in opposition. A lot of people who worked for us, they then go on and work for the lobby firms. I think we have to be very careful with people fluttering around the new Government, trying to make all sorts of claims of influence, that we are purer than pure, that people understand that we will not have any truck with anything that is improper in any shape or form at all."

It emerged that Mr Blair has called for an even stronger code of conduct for relations between the Government and lobbyists than that put forward by Sir Richard Wilson, the Cabinet Secretary, on Monday. He has asked that the existing rules be brought up to date, properly enforced and properly implemented.

Despite the Government's lightbulb, the Conservatives continued to exploit what they saw as their best opportunity for months. William Hague called for all those involved, including Mr Liddle, to be suspended from their jobs and investigated. "People are being protected because they are cronies of the Prime Minister. If they were civil servants, there would be investigations going on by now," he said.

'Mad cow' bill to hit £3.5bn

Measures to combat "mad cow" disease have cost British and continental taxpayers £2.5 billion over the past two years and are likely to cost another £1 billion by 2000, according to the National Audit Office. During the first 18 months of the crisis, about 100,000 cattle, sheep and pig owners were collectively over-compensated by £50 million, the spending watchdog says in a report published today. That over-spending was partly excusable, it says, because of the political pressure the Conservative Government was under to act quickly.

Actress's thanks

Caroline Aherne, the "Mrs Merton" television comedienne, sent a message to her fans after having hospital treatment for a suspected drug overdose. "Thanks for all the love and support I've received from friends and the public. I'm really touched and it's really helped me," she said.

Aerosol deaths

Six people a month die from sniffing aerosols, glues and gases, according to Health Department figures. The number of deaths from abuse of volatile substances rose from 60 in 1995 to 75 in 1996. Most were teenagers. Cigarette lighter refills accounted for more than half the deaths.

Two new prisons

Two more privately run jails are to be built in England, providing places for 1,200 offenders at a cost of £350 million. An 800-place Category B jail, Forest Bank, will open in Salford, Manchester, in 2000, and a 400-place young offender institution is to open near Bristol.

Ayr inquiry

East Ayrshire Council has started another investigation into alleged financial mismanagement after it was claimed that a director spent £170,000 redecorating his office. The council is already examining how another department covered up a £3.5 million deficit that will cost 95 jobs.

Raiders jailed

Three armed raiders who attacked two London families in one evening, escaping with jewellery valued at more than £82,000, were jailed at the Old Bailey yesterday. Farouk Gani, 27, was jailed for 9½ years, his brother Salim, 32, for 8½ years and Anthony Grant, 29, for 7½ years.

Bragg moves on

The broadcaster Melvyn Bragg is to step down as presenter of Radio 4's *Start The Week*. It was decided that the role was no longer appropriate with his forthcoming elevation to the House of Lords. He will appear on the programme for the last time on July 20.

Ad agency to prepare Britain for euro

By JASON NISSE

THE Government has asked leading advertising agencies to pitch for a campaign to persuade businesses to prepare for the single European currency.

Although Gordon Brown, the Chancellor, has not yet decided if or when Britain will join the single European currency, the Treasury and the Central Office of Information have been touring Soho, the Central London hub of the industry, talking to advertising executives about how best to promote the euro.

Detailed presentations have been taking place this week and the winner is expected to be announced shortly.

The Treasury agreed yesterday that it was planning an advertising blitz before the launch of the euro at the start of next year. However it would not say how much it was spending, although the budget is believed to be about £10 million.

The Treasury believes that British businesses need to prepare for the euro, even if Britain is not joining.

Lords defiant on university fees

Continued on page 2

Lord Stoddart of Swindon and the Bishops of Ripon, Hereford and Manchester. Among the crossbenchers opposing the Government were Lord Weatherill, the former Commons Speaker.

In two previous votes on the higher education Bill earlier this month, peers demanded that all students in the UK be exempted from a fourth year of fees. The Government protested that this would cost the Treasury £27 million because it would also apply to students on four-year courses elsewhere in the UK, such as an engineering course in England. The Lords move was rejected in the Commons by a majority of 140 MPs. So, instead, peers yesterday backed a tighter amendment restricting the exemption to students in Scotland. This would cost just £2 million, for which the Scottish Office has already set aside funds.

The Lords amendment will go back to the Commons and is likely to be overturned again unless the Government offers concessions. Peers will then have to decide if they want to challenge the Government again. In theory they can keep "ping-ponging" the Bill between the until the end of the parliamentary session as long as they keep introducing new, worded amendments.

The moment peers insist on an amendment that has already been rejected by the Commons, the whole Bill would die automatically and the Lords would be plunged into a constitutional crisis. This is unlikely as the Tories and Liberal Democrats are not opposed to the entire substance of the Bill.

Lord Steel of Aikwood, the Liberal Democrat deputy leader in the Lords, who moved the amendment, said: "This is a sensational result. The Government should realise they made a mistake and accept this constructive and well-intentioned compromise amendment."

Lord Mackay of Ardbrecknish, the Tory constitutional spokesman, said students and universities expected justice and common sense from the Government: "It is insane to pretend that this discrimination can be justified."

But Lord Sewel, the junior Scottish Office Minister, said: "How many times is it right and proper that an unelected chamber should actually get to the stage of defying the will of the elected chamber?"

Ticket company collapse

Continued from page 1

closed down last month after failing to deliver 25,000 tickets worth nearly £2.5 million, was one of the two suppliers that failed to deliver tickets to ICM.

Cyril Gold, a spokesman at K. S. Tan, said: "Great Portland failed to supply tickets to ICM, which they in turn had been promised by other phantom suppliers. ICM had orders for corporate hospitality tickets amounting to around £3 million."

"At the moment, we're just trying to work out who is owed what: it's a constantly moving target."

Amstrad, the computer company chaired by Alan Sugar, who also runs Tottenham Hotspur, placed and paid for ten ticket packages amounting to £8,000.

Nick Hewer, an Amstrad spokesman, said: "This is the first time this has ever happened to Amstrad. We've been let down in the past, but never halfway through a competition, and never after being kept so in the dark."

"Whether or not we get our money back, never mind the promises we've had to break, is another matter."

Another client-turned-creditor of ICM is Condor Services, a travel agency based in London. Rubin Leyes, the spokesman at Condor, explained how he and his son turned up for the England-Colombia match and were suspicious that the tickets had not been secured.

"We sat in a marquee 21 miles away from the stadium and only one hour before the

match was to start, did any tickets materialise," Mr Leyes said. "Instead of showing either 'ICL Marketing' or 'Mike Burrows' on them, they had the name 'Stella Barros' on them — it became obvious that they had been bought on the black market."

Condor paid £2,500 for five tickets, two of which never materialised.

Other companies have said that they were let down on corporate packages. Scottish Equitable, the pension fund manager, was let down on a package bought for the inaugural game between Brazil and Scotland.

On the day of the match, Scottish Equitable executives had to attempt to buy tickets from touts in order not to disappoint their clients.

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The naked truth about Scarlett manor

Naturist major wins his fight with Customs over videos of holiday games, reports Simon de Bruxelles

A RETIRED major refused to surrender when Customs officers said that his videos of naturist family holidays in France were indecent. James Scarlett had become an enthusiastic nudist after hanging up his uniform and saw no reason to be ashamed.



Scarlett: "It was a little embarrassing"

Yesterday magistrates in Cheltenham, Gloucestershire, agreed with him and ordered officers to return the material they seized from his 16th-century manor house, where the markets promotional films to naturists around Europe. Major Scarlett, 58, who won £1,400 costs, said: "I understand that Customs have a job to do and it is not an easy one. The whole thing was a little embarrassing."

Eight Customs men had raided the 12-bedroom manor at Severnhampton, whose previous occupants include Queen Elizabeth I and the Bishops of Tewkesbury. Now the former Royal Artillery officer and his wife, Carolyn, also 58, use it as the base of the family business, Tower Productions, which makes videos of naturist camps in France, sells travel books for naturists and markets other producers' videos. The Customs squad seized 200 videos but returned all but two, *A Naturist's Provence Part 2* and *Naturist France 2 Laborde*.

The videos featured families at naturist holidays and scenes included children enjoying themselves in a variety of activities including swimming, cycling, tug-of-war and body-painting. Major Scarlett has four children and one of his own sons was in the scenes. He said: "I have been

a naturist for many years and find it a very relaxing lifestyle in which to bring up children. The holiday video we shot showed a kids' sports day at a naturist camp in Provence and the children's Bastille Day celebrations. It was the fact there were so many of them in one place that they objected to. In the view of Customs, any photograph of a naked child under the age of 16 is indecent and, while individual pictures may not on their own be indecent, if there is a sufficient concentration they can be."

The major used his right to challenge the seizure before magistrates and yesterday the court at Cheltenham ordered that the films be returned, along with a book called *Canada Naturally*. The magistrates, who studied the works, also asked Customs to pay £1,400 of the couple's £2,000 legal bill.

The Scarlets' troubles began when staff at the London Overseas Mail Office found an Australian producer's promotional film of a nudist camp on its way to Tower Productions. They alerted Customs and Excise, which then raided the couple's country home.

After yesterday's ruling Major Scarlett said: "I am not angry about it. Some people think there is a fine line between nudity and pornography but I would disagree. I have been a naturist for around 15 years and would say it is a relaxing lifestyle and very good for releasing stress. "People think that we are a rude and unseemly bunch but we are not. There is no connection between nudity and sex or indecency. "We never had anything to be worried about and didn't feel like criminals because we hadn't done anything wrong. They took just about everything, all our stock of videos and books. We had 30 days to appeal, which we did. Although it was only a lowly magistrates court and doesn't carry the force of precedent, important aspects came out."

The Scarlets have lived at their manor house for 17 years. It was built in 1543 and "gifted" to Queen Elizabeth I. A Customs and Excise spokesman said yesterday: "We seized goods from Major Scarlett because they were listed as indecent. A decision was taken that the titles of some videos and books were indecent and that the material could be classed as indecent. "Major Scarlett appealed, the appeal was taken to court and, in this case, the court upheld the appeal. As far as we are concerned, the magistrates have ruled and we will abide by that."



The manor house that was raided by the Customs squad and, below, scenes from one of the seized films, *A Naturist's Provence*



Officer convicted of being phone pest

By RUSSELL JENKINS

A SENIOR police officer's career lay in ruins last night after he was exposed as a telephone pest.

Inspector Stephen Lawman, 40, was told he had brought shame to Lancashire police after being convicted of bombarding Lorraine Sharrock, 35, with nuisance calls. The father of three, of Penwortham, Lancashire, will face a disciplinary hearing and almost certain dismissal from his £34,000-a-year post after 24 years of "exemplary" service.

Preston Magistrates' Court heard that Lawman, a duty officer in the force headquarters operations room, subjected Mrs Sharrock to nine, mostly silent, calls over a four-month period in 1996. Outside the court, she described how the calls had soured her life and that of her family, including her daughter Emma, 7. "This is the end of an ordeal for us. It is a great relief after all we have been through."

Lawman had denied using the telephone to cause annoyance, inconvenience and needless anxiety, an offence under the 1984 Telecommunications Act. He insisted he had problems with BT and suggested that he may have been billed on his cordless telephone for somebody else's calls.

Alan Berg, stipendiary magistrate, told Lawman: "You have brought shame not only on yourself, but the whole force." He fined Lawman £1,000 and ordered him to pay £350 towards prosecution costs.

Official stole £300,000 from top sports body

By STEPHEN FARRELL

PETER LAWSON, a leading sports official and an adviser to the Duke of Edinburgh, was found guilty yesterday of defrauding the sports body he ran for nearly 25 years.

Lawson, 58, former general secretary of the Central Council of Physical Recreation, and his son Christopher, 28, were convicted of siphoning money from the council into their own sports consultancy and of skimming proceeds from an 80th birthday testimonial held to honour Sir Stanley Matthews.

A jury at Southwark Crown Court found Lawson senior guilty of two charges of conspiracy to defraud and three of furnishing false information. His son, hired as the council's senior development officer, was found guilty of two charges of conspiracy to defraud, one of theft and six of furnishing false information.

The pair, both from Sidcup, southeast London, showed no reaction as the verdicts were announced after a two-month trial. They will be sentenced today.

Victor Temple, QC, for the prosecution, told the court that since 1973 Peter Lawson had developed the council into a distinguished umbrella body funded by the Sports Council representing more than 300 British sporting organisations, including the Football Association.



Lawson, left, siphoned money from events such as Sir Stanley Matthews' 80th birthday testimonial



for 1,486 Olympic, world and Commonwealth champions in 1992 with a guest list including Sir Roger Bannister, Sebastian Coe, Sir Alf Ramsey, Mary Peters, Alex Higgins and Fred Trueman.

But Mr Temple told the court that the £62,000-a-year official and his son had embarked on a "concerted and prolonged" campaign of wholesale dishonesty to use the organisation for their own advantage.

In 1988, while general secretary, he had been given permission to set up his own sports consultancy, Sport and Leisure Communications, so long as it did not create a conflict of interest.

But he moved money belonging to the council into the firm using a series of bogus invoices, taking advantage of a "puppet" honorary treasurer and other officials who had trusted him.

Mr Temple said: "He was trusted by the executive officers and given a free hand.

Because of that trust there was little or no effective check. It is no exaggeration to say that he ruled the CCPR." Lawson's behaviour, he said, "bears the characteristics of greed, manipulation, and dishonesty."

Among the victims, the court heard, was Sir Stanley, who received much less from his 80th birthday dinner testimonial than was expected. The fraud came to light when executive committee. In July 1998 the Lawsons were suspended and later sacked. An investigation by the accountancy firm KPMG found £300,000 missing.

Among those who gave evidence on Lawson's behalf was Barry McGuigan, the former world featherweight boxing champion and president of the Professional Boxer's Association.

Nigel Gilroy, an accountant from Surbiton, South London, was cleared of two charges of conspiracy to defraud.

Farm girl, 4, killed by father's tractor

By HELEN JOHNSTONE

A GIRL aged 4 was killed by a farm tractor driven by her father, as she tried to greet her mother. Hannah Tobin had been enjoying a ride on the back of the tractor before she jumped off to go to her mother, Veronica, 34, who had gone to collect her.

Health and Safety Executive officials were investigating the accident yesterday. Sergeant Bob Gray said that the girl had jumped down from the machine quite safely. "It's just an absolute tragedy. I can't even begin to think what the parents are feeling like."

The Tobins are believed to rent the farm where the accident happened and live at another farm three miles away in North Leigh. A special assembly was held at the primary school in North Leigh where Hannah had been a pupil for one term. Maureen Trotman, the

deputy headteacher, said: "We told the children what had happened. They are all obviously very upset and distressed."

The Rev Ross Collins, vicar of St Mary's church in North Leigh, said that Hannah had been a real country girl who loved growing up on a farm and helping her father with the chores.

He said: "She was a delightful little girl. She had that air of spirit and vitality. I have been to see the family and they are devastated. I think the whole community is devastated by what has happened."

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- (c) Rent the box room to a South American fugitive?
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Ginola to champion mine victims

Daniel McGrory on a new role for the Tottenham star and BBC pundit

AFTER searching for nearly a year for somebody to replace Diana, Princess of Wales, as champion of landmine victims, the Red Cross has surprisingly turned to the French football star David Ginola.



Ginola does not think he replaces Princess

Many of Ginola's countrymen believe that the Tottenham Hotspur midfielder should be playing for France in their World Cup semi-final today rather than appearing as a pundit on BBC television — although few British women are complaining. His long locks have also been on show in a shampoo advertisement on television. He will make his debut in his campaigning role at today's match in Paris when, sitting alongside leading Red Cross fig-

ures, he watches his country play. The Red Cross has assured Spurs supporters that Ginola will not be giving up football to spearhead its campaign.

The charity is reluctant to draw comparisons between his involvement and the

work of the Princess. A spokesman said: "He does not see himself as any kind of replacement for Diana, Princess of Wales."

But Red Cross activists hope that Ginola, 31, will, like the Princess, attract interest in the plight of victims of landmines. Chris Moon, a campaigner, told the BBC: "It's really good news. He is a role model for lots of young people. He's going to take the message to people in Europe who haven't really been involved."

The American charity Landmine Survivors Network, which took the Princess to Bosnia last summer, has asked Queen Noor of Jordan to be its patron.

The Government is to ratify the landmines treaty

later this week. Last week it published the Anti-Personnel Mines Bill, under pressure to ratify the treaty in honour of the late Princess.

It will be debated on Friday and has all-party support. The Ottawa Convention bans the use, stockpiling, production and transfer of anti-personnel mines.

Yesterday Martin Bell, the Independent MP and former war correspondent, joined engineers to display a British-built machine that should revolutionise the clearance of anti-personnel mines. The machine, called Tempest, has been developed by researchers at the University of Warwick. It will clear all vegetation, exposing mines and tripwires.

problems

NEWS IN BRIEF

Mad cow bill to hit £3.5bn

Across's thanks

Aerosol deaths

Prisoners

Acquittal

Handers jailed

Prison moves

Does waiting make you sick?

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Loyalist violence leaves Province's hopes shattered

Martin Fletcher surveys the debris after another night of riots and attacks on the security forces over Drumcree

AT A street-corner on Belfast's loyalist Tiger Bay estate yesterday morning a 58-year-old road sweeper with a pushcart and shovel was clearing up after what had been another night of rioting and violence. "Nothing surprises me any more, not a thing," he said. "I thought the new Assembly might have changed things but it only takes a march to start it all off again. It's just two different factions, and one will never agree with the other."

The surface of the road was carpeted with debris — broken bricks torn from a nearby wall, smashed glass, and mounds of smouldering black ashes laced with the coiled wires of burnt tyres used for makeshift barricades. Outside the Mount Inn, the street's last tall tree lay where it had crashed after the mob had taken a chainsaw to its trunk. The traffic lights had survived only because they are caged.

"It's like the Bronx," one passer-by said as he picked through the wreckage. "The Bronx is never like this," another replied. "This is ridiculous."

The explanation for the devastation was expressed in

five words scrawled on the wall of a derelict building next to the pub: "RUC — The Elite Force 1996." The message, dripping with sarcasm, was as clear as it was chilling. Two years ago, loyalist mobs forced the Royal Ulster Constabulary to capitulate and allow the Drumcree parade through by bringing the Province to its knees — and they would do so again this time.

The scene in Tiger Bay yesterday morning was replicated in loyalist estates across Belfast — and in loyalist towns throughout Northern Ireland — after a night of general mayhem. The Orange Order may have called for peaceful protests only, but it has unleashed forces far beyond its control.

By dawn yesterday there had been 246 attacks on the security forces since the Orangemen were blocked from marching down the predominantly nationalist Garvaghy Road in Portadown on Sunday. There had been 63 arrests, 330 incidents where the rioters threw petrol bombs, 101 cars hijacked, 323 vehicles and buildings damaged, and 42 policemen injured. There had been more roads blocked

and barricaded than anyone could count, and the sight of blistered, buckled tarmac at street junctions is now almost commonplace.

Monday night was worse than Sunday night. Gunmen opened fire on three different police patrols. Rioters used blast bombs, petrol bombs and stones. They attacked police stations, and a policeman's home in Carrickfergus where his two young children. Another police officer had to be rescued from a 50-strong mob after he ran into a barricade in Carrickfergus and his car was petrol-bombed with him inside. Security sources feared that last night would prove even worse once the World Cup match was over.

By day Belfast remains a relatively normal city but it is now a frightening place at night. No one lingers after work.

Middle-class people pull down the steel shutters of their businesses, hurry back to their homes in the suburbs or surrounding villages, and stay there. Many have simply left the Province until the marching season ends.

Shops, pubs and restaur-

ants are mostly closing early and all public transport is withdrawn soon after 6pm. By mid-evening on Monday the city centre was an eerie, almost deserted place reminiscent of the dark days of the Troubles. There were few people on the streets except armed soldiers manning checkpoints. There was practically no traffic except for slate-grey armoured Land Rovers speeding in convoys to the nearest trouble spot.

Military helicopters clattered overhead and pillars of

black smoke billowing into the summer evening sky signalled where the latest trouble was erupting. One of the worst trouble spots was Sandy Row, where mobs fought running battles with helmeted, black-suited riot police.

To drive through the heart of loyalist East Belfast, which was beguilingly festooned in bunting and Union Jacks, was folly. Gangs of youths blocked the side-streets with piles of burning tyres and wooden pallets faster than the police could clear them. They stood

in lines across the bigger roads to turn back motorists or, much worse, hijack and burn their cars. It was mob rule performed to the beat of the Lambeg drum.

The direct cost of this anarchy is enormous, and the hidden cost still greater. In barely 48 hours these extremists have managed to destroy the months of positive coverage that Northern Ireland has been receiving around the Good Friday peace accord being clinched, endorsed and

implemented have been obliterated by pictures of rioting, confrontation and burning vehicles.

Any damage to the economy caused by the strong pound was nothing compared to the damage caused by Drumcree, said Chris Gibson, chairman of the Confederation of British Industry in Northern Ireland. It was deterring potential investors and shaking customers' faith in the ability of Northern Ireland companies to deliver.

The situation was "poten-

tially disastrous". Neville Morrison, chief executive of the Hospitality Association of Northern Ireland, said. Hotels, guest houses and holiday resorts were being cancelled. Northern Ireland was seen as "a place where violence erupts and you don't go there when you have plenty of other options... a community that can live with itself we will not get the visitors we could get."

Simon Jenkins, page 18



A schoolgirl makes her way past the remains of a barricade in Carrickfergus, a mainly Protestant area where police were attacked on Monday night

Church divided over use of land

BY AUDREY MAGEE IRELAND CORRESPONDENT

DEEP divisions are emerging among Northern Ireland's Protestant clergymen over the use of church land and property by increasingly militant Orangemen.

Thousands protesting over the right to march down Garvaghy Road are using Church of Ireland land and facilities to park, wash and make food. But many Protestant church leaders, including Church of Ireland ministers, are deeply unhappy that the stand-off is being so closely linked with Drumcree Parish Church.

"It is very, very upsetting but there is nothing we can do about it," Liz Harries, spokeswoman for the Church of Ireland, said.

The Orangemen are using the parish hall to make food, wash and hold meetings and are parking cars on 16 acres owned by the Church of Ireland. The rectory sits in the middle of a car park.

One Belfast-based Church of Ireland minister said: "It is very embarrassing to see television images of our church being dragged into what is a political conflict."

The Orangemen are banned by the Church from using the stone-cut 19th-century church and the old cemetery, both of which are owned outright by the Church's central body in Dublin. However, the Rev John Pickering, the rector, and a local committee control the use of the hall, while the land is rented out to farmers sympathetic to the Orange cause. Mr Pickering said: "The hall is a place of refuge where people can get shelter, rest and some food. I'm sorry if people do not understand that and the situation I am in."

Letters, page 19



James Fisher, left, and Mark Wright: convicted in 1995

Victim's mother attacks review of guards' case

BY SHIRLEY ENGLISH

MO MOWLAM, the Northern Ireland Secretary, faced criticism yesterday after her decision to review the case of two Scots Guards jailed for the murder of an unarmed Catholic teenager.

Peter McBride, 18, was shot twice in the back by Mark Wright and James Fisher while they were on patrol in Belfast in 1992. The soldiers were convicted of murder in 1995 and jailed for life.

Jean McBride, the dead youth's mother, said the timing of the review was "cynical" and politically motivated. She said the possibility of an early release had "nothing to do with justice" and was being offered to appease opposition in the House of Lords to government legislation that will allow paramilitary prisoners to be released as part of the peace process.

The family is angry that the men have not been discharged from the Army. "I don't expect these two to be the last to be sitting in prison on their own," Mrs McBride said. "What I would say to Mo Mowlam, if she wants to do anything to help my family get over this, is to put them out of the British Army before anything else."

Dr Mowlam had previously resisted calls to review the case before the Life Sentence Review Board meets in October. She is expected to meet the McBride family today to discuss her decision, announced after new evidence was pre-

sented by the soldiers' lawyers. This is believed to include affidavits which may corroborate the guardsmen's claim that they fired because they thought Mr McBride was carrying a "coffee jar" bomb.

Supporters of Fisher, 29, and Wright, 24, said that their release would be in the interests of natural justice. Martin Bell, MP, who is patron of The Fisher and Wright Release Group, said: "These two men were tried and convicted and are being held as common murderers which they are not. They made a dreadful mistake while serving their country."

An appeal against conviction failed in 1995. A further appeal for an early review of the sentence was rejected in May. The case was last reviewed by the Life Sentence Review Board last October.

Last month Lord Tebbit threatened to table a Lords amendment to the Prisoners Bill stating that no terrorists should be let out of jail until the guardsmen were free. He said that Dr Mowlam's decision was a "major U-turn" but appeared to indicate that it had made no difference to his opposition to the legislation.

Fisher's mother, Sheila, said she was delighted by the review but did not want the two men to become "political pawns" amid the wrangling over the Drumcree march.

The news emerged days after Janet Robertson, the newly appointed head of education, was asked to leave her post on her first day of work. In the same week that the Eyre report on opera and dance provision emphasised the importance of education schemes.

Pelham Allen, the chief executive, insisted that she was not dismissed. "She never started with us," Ms Robertson, whose previous posts include heading an outreach programme for the National Youth Music Theatre, described her treatment as "shabby".

Arts, page 31

Opera dispute settled

BY DALYA ALBERGE, ARTS CORRESPONDENT

THE Royal Opera House yesterday reinstated a member of staff days after suspending her for supposedly having brought Covent Garden into disrepute.

Sofie Mason, an advertising manager, was accused of having leaked news of the staff's vote of no confidence in the head of external relations, Judy Grahame. A disciplinary hearing was scheduled for tomorrow by a management concerned at the circulation of a fax that accused Ms Grahame of failing to follow procedures in hiring and firing staff. Ms Mason was

accused of not having taken care to ensure it was an internal document.

Ms Mason had always strenuously denied that she had sent it to anyone outside Covent Garden. Her union, Bectu, yesterday issued a joint statement with the opera house saying the allegations "gave rise to the vote of no confidence in Judy Grahame... are withdrawn". It noted that the suspension had been lifted "following internal investigations on a disciplinary matter".

The news emerged days after Janet Robertson, the newly appointed head of education, was asked to leave her post on her first day of work. In the same week that the Eyre report on opera and dance provision emphasised the importance of education schemes.

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I thought I'd die, says nurse burnt in petrol attack

A NURSE who suffered horrific burns to 90 per cent of her body when she was doused in petrol by a former boyfriend in Australia has flown home to England after surprising doctors with the speed of her recovery.

Gabriella Mazzali, 28, who has spent the past five months undergoing painful skin grafts, was not expected to live at first. Medical staff at Concord Hospital in Sydney admitted that her injuries were so appalling that they almost abandoned hope of saving her.

Shortly before boarding a flight from Sydney with her parents, Ms Mazzali said: "It's a miracle that I survived my ordeal. I know I'm not through the worst of it yet but I want to get on with life as best I can, rather than dwell on the past."

Ms Mazzali, who worked as a nurse at a hospital in Hampstead, North London, before moving to Australia 2½ years ago, described the pain of the past five months as "the worst agony you can describe".

Stephen Rae, 33, her former boyfriend, who is originally from Crieff, Perthshire, has been charged with attempted murder, breaking into her flat with intent to murder, maliciously damaging the property and assaulting Stephen Swain, a neighbour.

Mr Rae is alleged to have arrived at her flat on the night of February 4, doused her in petrol, grabbed her in a bear hug and

The woman whose recovery amazed doctors in Sydney is home, reports Roger Maynard

engulfed them both in a fireball. Neighbours told police that they tried to put out the flames by throwing water on Ms Mazzali.

Mr Swain said that he was in his flat when he heard the nurse's blood-curdling screams. "I saw Rae had both his arms in a bear hug around Ms Mazzali, who was in her nightie and wet. Rae raised his right hand while holding a cigarette lighter, and after a short struggle, he lit the lighter and flames engulfed both Rae and Ms Mazzali."

Yesterday, swathed in a skin-tight compression suit, Ms Mazzali said of the past five months: "There were many times I'd wished I was dead, especially with all the pain and the daily dressings."

Her medical background was more of a hindrance than a help. "I couldn't let go of being in charge. I wanted to know which drugs were running through which bags and what medication they were giving

me. I was probably an awful patient."

Ms Mazzali, whose flight was financed by an anonymous Scottish benefactor at a cost of nearly £20,000, said she was looking forward to meeting her friends and family in Lincoln, where she was brought up. "Everyone's been so supportive in England."

Dr Peter Haarsch, the surgeon who carried out 11 operations on Ms Mazzali, said she would almost certainly have died had it not been for her youth, the dedication of medical staff and aggressive surgery involving a bio-engineered temporary skin substitute.

"We have had a few 90 per cent burns victims survive but we have not got to this stage so early before. Gabriella has been very stoic and I think that she's coped extremely well. And given that her face and her hands were not burnt, she has every prospect of returning to her former occupation."

Her mother and stepfather, Sandra and Terry Cooling, were with her on the flight, along with two medics. Ms Mazzali said she was keen to return to Sydney. "It wasn't Australia that did this to me, it was an evil person who obviously didn't have an ounce of humanity in him."

Mr Rae appeared at a committal hearing yesterday at Burwood Local Court, Sydney. No pleas were entered, bail was refused and trial was set for July 17.



Gabriella Mazzali in Sydney before her flight home. She has to wear a compression suit as she recovers

NEWS IN BRIEF

Head's wife drowned after row

The wife of a preparatory school headmaster drowned while taking a late-night swim in the school pool, an inquest was told yesterday.

Ulrike Dudgeon, 52, had become upset and left the dinner table after a disagreement with her husband over an item on the television news. An hour later she discovered her body on the bottom of the deep end of the pool when he went to lock up at Ripley Court School, Surrey.

The pathologist told the inquest in Woking that the alcohol she had consumed could have made her confused and prone to slipping. Verdict: accidental death.

Postal problem

A postman who claimed that delivering mail to homes with low-level letter boxes damaged his back was awarded £143,500 (£36,000) in Ireland's High Court. Ian Barclay, 43, from Dublin, won costs in his action against the postal service An Post.

Medals sold

Medals and orders awarded to the late Sir Ivone Kirkpatrick, the diplomat who interrogated Rudolf Hess after he flew to Scotland in 1941, were sold for £3,680 at Sotheby's in London. Sir Ivone described the meetings with Hitler's deputy as "a mad hatter's tea party".

Prize for Jenkins

Simon Jenkins, a columnist and former Editor of *The Times*, was presented with the Rio Tinto David Watt Memorial Prize for 1998. The £5,000 prize is awarded for outstanding contribution to the clarification of national, international and political issues.

Academy honour

Norman Hammond, the archaeology correspondent of *The Times*, has been elected a Corresponding Fellow of the British Academy. Professor Hammond, who teaches at Boston University, was elected for his work on the Maya civilisation in Central America.

Artificial skin aids healing

By NIGEL HAWKES
SCIENCE EDITOR

BURNS that cover a large part of a victim's body are extremely hard to treat. In the past, anybody as badly burnt as Gabriella Mazzali stood little chance of recovery because there would not have been sufficient healthy skin left to transplant onto damaged areas.

The arrival of an artificial skin called Integra, made by an Amer-

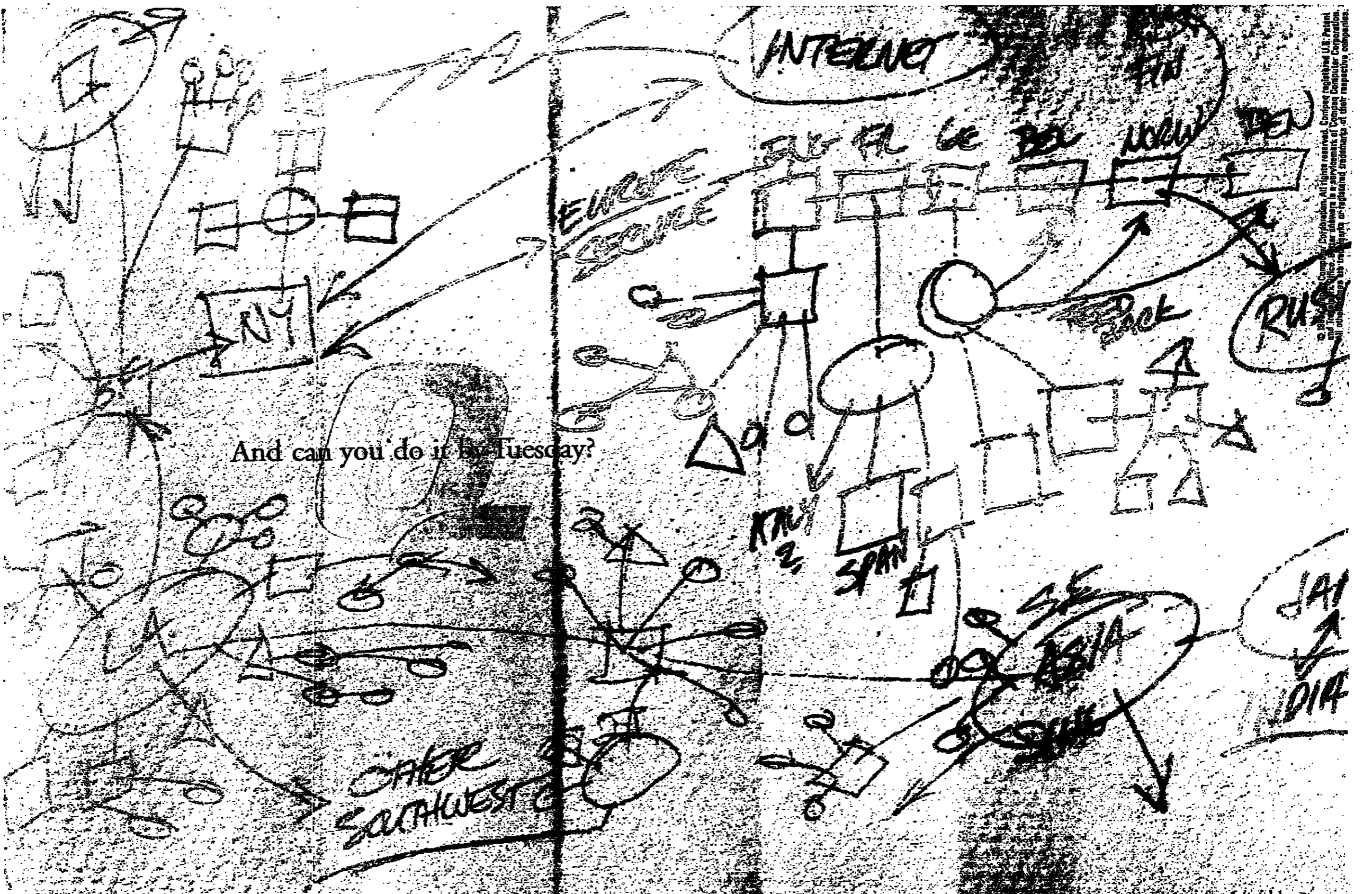
ican biotechnology company in New Jersey, has transformed the situation.

Integra uses two separate layers, like the skin itself, which has an outer layer, the epidermis, and the underlying dermis, which provides strength and support.

Integra's top layer is made of silicone and the underlying layer of collagen, the structural protein in skin. When Integra is laid on top of burnt skin the body digests the collagen and grows a new

dermis of its own. Meanwhile, the body is protected from infection that can hinder the healing process.

The patient's cells mix with the structure provided by Integra and begin to form a proper skin structure. Two weeks or so later the protective silicone layer can be removed and a layer of the patient's own epidermal cells seeded on to the surface. In a further week or so a new skin will have formed.



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Church divided over use of land

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Advertising for bishops could end church secrecy

By RUTH GLEDHILL, RELIGION CORRESPONDENT

BISHOPS' posts in the Church of England could soon be advertised nationally, with candidates having to supply CVs and attend interviews.

Modern management techniques would end the secrecy that shrouds the appointments process, which critics say too often gives the jobs to men who are little more than a "safe pair of hands".

The General Synod, meeting in York, voted yesterday to set up a review of the Crown Appointments Commission, the body that decides nominations for diocesan bishoprics.

The commission, established in 1977, chooses two names that go forward to the Prime Minister, who selects one for submission to the Queen to make the appointment in her role as Supreme Governor of the Church.

Such is the secrecy that members of the commission must pledge not to tell their

GENERAL SYNOD

spouses when and where the commission is meeting. Candidates rarely know that they are being considered unless, as happened recently with the vacancy in Liverpool, news is leaked that the Prime Minister has rejected one or more of the commission's choices.

The Archbishop of Canterbury, Dr George Carey, discovered that he was under consideration for the top job only when a letter offering the post was given to him at a railway station by the Prime Minister's appointments secretary, then Sir Robin Calford.

Christina Rees, from the St Albans diocese, who is a former member of the commission, said: "The commission tends to shy away from people who have too much of the prophet or visionary about

them and favours individuals who can best be described as a safe pair of hands."

She said the information the commission received about the men being considered was often subjective, uninformed and inconsistent. "No respectable assessment or appointments procedure would countenance this method. In the Army this procedure would be laughed at; in industry it would not be given the time of day."

Dr David Hope, the Archbishop of York, said: "Natural justice surely demands, in whatever way we can best devise, that the person who is under consideration also has the opportunity to present himself."

Canon John Stanley, of Liverpool, said that a diocese had a right to know at least when the commission was meeting so that churchgoers could add their prayers to the



Debate continues outside the synod yesterday after the vote for a review of the Crown Appointments Commission

commission's own prayers for guidance.

The synod rejected overwhelmingly an amendment by the Right Rev Colin Buchanan, Bishop of Woolwich, that would have removed the Crown and the Prime Minister from the appointments

process and led as a result to disestablishment. Bishop Buchanan, a long-time campaigner for disestablishment, said: "Are we children that we need the Prime Minister to take decisions about our leaders for us?"

Sir Timothy Hoare, of the

London diocese, a former member of the commission, said: "Through establishment the nation is constantly reminded of the importance of the spiritual dimension in national life."

He added: "We must preserve what for most members

of the commission has been the precious element of seeking the mind of God and waiting for the guidance of the Holy Spirit in the context of worship. Greater professionalism and the need for efficiency must not and will not near this."

Priest calls for tobacco restraints

THE General Synod has called for a ban on all tobacco advertising at points of sale and for an end to the use of tobacco brand names on non-tobacco products.

The Rev Christopher Hall, of Oxford, who tabled the motion, said: "Most boys in my generation did National Service and there came under peer pressure to smoke. In that climate I determined I would not even try smoking for fear that having once started I would not have the strength of will to stop."

He added that most people started smoking in their teens. "The peer pressure is deliberately created by commercial interests. Advertising creates a climate in which smoking is seen as acceptable, macho, aggressive and modern."

The Synod yesterday approved six Eucharistic prayers for use in a new service book, to be launched in 2001.

The Right Rev David Standcliffe, Bishop of Salisbury, said the prayers were "arguably the most important part of the new Book for Common Worship."

New law could force homeless off the streets

By VALERIE ELLIOTT, WHITEHALL EDITOR

NEW laws could be introduced to force rough sleepers to take up spaces in shelters and hostels for the homeless. The radical proposal was floated by the Government yesterday in a new £50 million package of measures to tackle the root causes of homelessness.

Announcing the package yesterday, Tony Blair spoke of his "shame" in seeing rough sleepers on the capital's streets and said he hoped the measures would cut the numbers to "as near zero as possible".

A "homelessness czar" is to be appointed by next spring to head a new London-wide body, and a network of "mini-czars" will be created to tackle homelessness in regional cities.

Guidance will be issued to housing authorities to ensure that 16 to 17-year-olds are housed as a priority. Extra help will also be given to young people leaving local authority care and the Armed Services to prepare them for life outside these institutions.

Prison staff will help prisoners to find homes when they finish their sentences and probation officers will work with young offenders to pre-

vent them becoming homeless.

The measures were drawn up by Mr Blair's social exclusion unit which has called for a new, co-ordinated approach in government to tackle homelessness.

Mr Blair said yesterday: "The sight of a rough-sleeper bedding down for the night in a shop doorway or on a park bench is one of the most potent symbols of social exclusion in Britain today."

He called for a network of "buddies" or mentors to be trained to support homeless people and help them back into work. Mr Blair also highlighted the need for more help for those with mental illness, drug and alcohol problems.

Last night homelessness groups generally welcomed the report as "an excellent starting-point". Louise Casey, deputy director of Shelter, said: "Backed with a consistent combination of resources, imagination and determination, Shelter believes these proposals could result in a significant reduction in the number of people who end up on the streets as the next century begins."

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Lying doctor jailed as her victim says: I am ruined

A WOMAN doctor accused of a long campaign of hate against a former male colleague was jailed yesterday as her target told how his life had been ruined.

Dr Alanah Houston, 54, who has recently worked as a police medical examiner, committed contempt of court by deliberately moving her financial assets to avoid paying slander damages to Dr Malcolm Smith, 42. She was sentenced in the High Court to three months and told that her prison term would be higher if not for ill health and her admission of guilt.

The ruling was the latest round in a ten-year dispute that began when Dr Houston accused Dr Smith of harassing her and women staff at a practice in Hunsbury, Northamptonshire. He started proceedings to clear his name but after winning the case and costs he was left in debt and out of work. He told the court that his former colleague had a "pathological" hatred of him and wanted to ruin him.

Dr Smith had won record £150,000 damages for slander

Woman switched her finances to avoid paying damages for

slander, Michael Horsnell reports

in 1991 but the award was reduced on appeal to £50,000 and he has received less than £2,000 since. Dr Smith asked the High Court to jail Dr Houston, from Yardley Gobion, near Towcester, Northamptonshire, for breaking a series of asset-freezing injunctions.

Mr Justice Tucker said she had disposed of assets worth more than £50,000 in breach of the injunctions and her primary motivation had been to prevent Dr Smith from receiving any part of his award. The judge said: "I find that she defiantly, promptly and persistently flouted the court's authority over a substantial period of time. This was not a case where disobedience of the court was casual, accidental or unintentional."

Dr Smith said that Dr Houston's aim had been to

remove him from their surgery for her own financial and professional benefit. He said: "She's a very intelligent and cunning woman, a woman of considerable influence and who is indeed an inveterate liar."

Dr Houston, who went on to become a family planning doctor in Milton Keynes and acted as a forensic medical examiner for the police, denied that she hated Dr Smith. She declared herself bankrupt after losing the original action and her bankruptcy was discharged in 1995. She said: "I just think it's all very sad and I pity him."

Although she accepted that she had paid money out of her bank account in breach of an injunction, she said that she acted through ignorance of the law when she was undergoing traumatic treatment for breast



Dr Smith: an honest man, said the judge

possible of her money: "She set about reducing and redistributing her assets in order to achieve that aim."

He said of Dr Smith: "I found the plaintiff to be an honest man who has a genuine grievance. Having won a decision in his favour and an award of damages to compensate him, he has been frustrated in his attempts to recover his damages or his costs and left with a very large bill for his legal fees."

After the hearing, Dr Smith said: "I have had years of my life taken away by this. I haven't got any money at all. I've lost my house, I've lost my surgery and my valuable practice. Every penny I had has been paid over to my solicitors. I'm living on the charity of my family."

The judge said that, under the Insolvency Act, the court had no power to order payment to Dr Smith of any sum relating to the slander action as Dr Houston had been discharged from bankruptcy, which meant that the damages and costs could no longer be enforced.

Dr Smith, from Brampton, near Chesterfield, South Yorkshire, says that he has debts of almost £300,000. The judge said he was satisfied that Dr Houston had been determined he should obtain as little as



Dr Alanah Houston "defiantly and persistently flouted the court's authority"

Inmates earn double in first jail night shift

BY RICHARD FORD HOME CORRESPONDENT

A SELECT group of prisoners is earning twice as much as other inmates by working on the country's only prison night shift.

As other offenders sleep, prisoners at Ranby jail near Retford in Nottinghamshire are in the workshop making plastic mouldings and containers, components for bulkhead lights and inserting bristles into brushes.

The prisoners earn £18.50p a week compared with between £8 and £11 for those who are on the day shift. Nine offenders, who have all earned a place on the enhanced privileges regime because of their good behaviour in prison, are on the night shift, which has been operating for more than a year. They start work at 8.30pm each weekday evening and end their shift in the plastics workshop at 5.45am the next day. To ensure they can rest during the day, they are housed in their own dormitory.

A Prison Service spokesman said that the night shift had been introduced because there was a capacity to operate equipment 24 hours a day.

Prisoner with no legs 'had to climb steps'

A PRISONER with no legs had to climb stairs using his hands at a jail for five years, the High Court was told yesterday (Richard Ford writes).

Del Shannon, 48, whose legs were amputated because of a wasting disease, was allegedly treated "outrageously" at Elmley jail on the Isle of Sheppey. His solicitor said he had to "use his hands and leg stumps" to climb stairs because the jail lacked facilities for disabled inmates.

Shannon, who is now in danger of losing his fingers and hands, has been transferred from Elmley jail to Stocken prison in Leicestershire after beginning a legal challenge against his treatment in prison.

Yesterday the case was withdrawn after Alex Owen, for Shannon, told Mr Justice Lightman that the Home Office had agreed to pay the legal costs incurred for Shannon's application for judicial review. He said the application was now unnecessary.

Shannon, who is serving a life sentence imposed in 1986 for murdering a flatmate, is taking further legal advice to see whether he can claim damages against the Prison Service for negligence.

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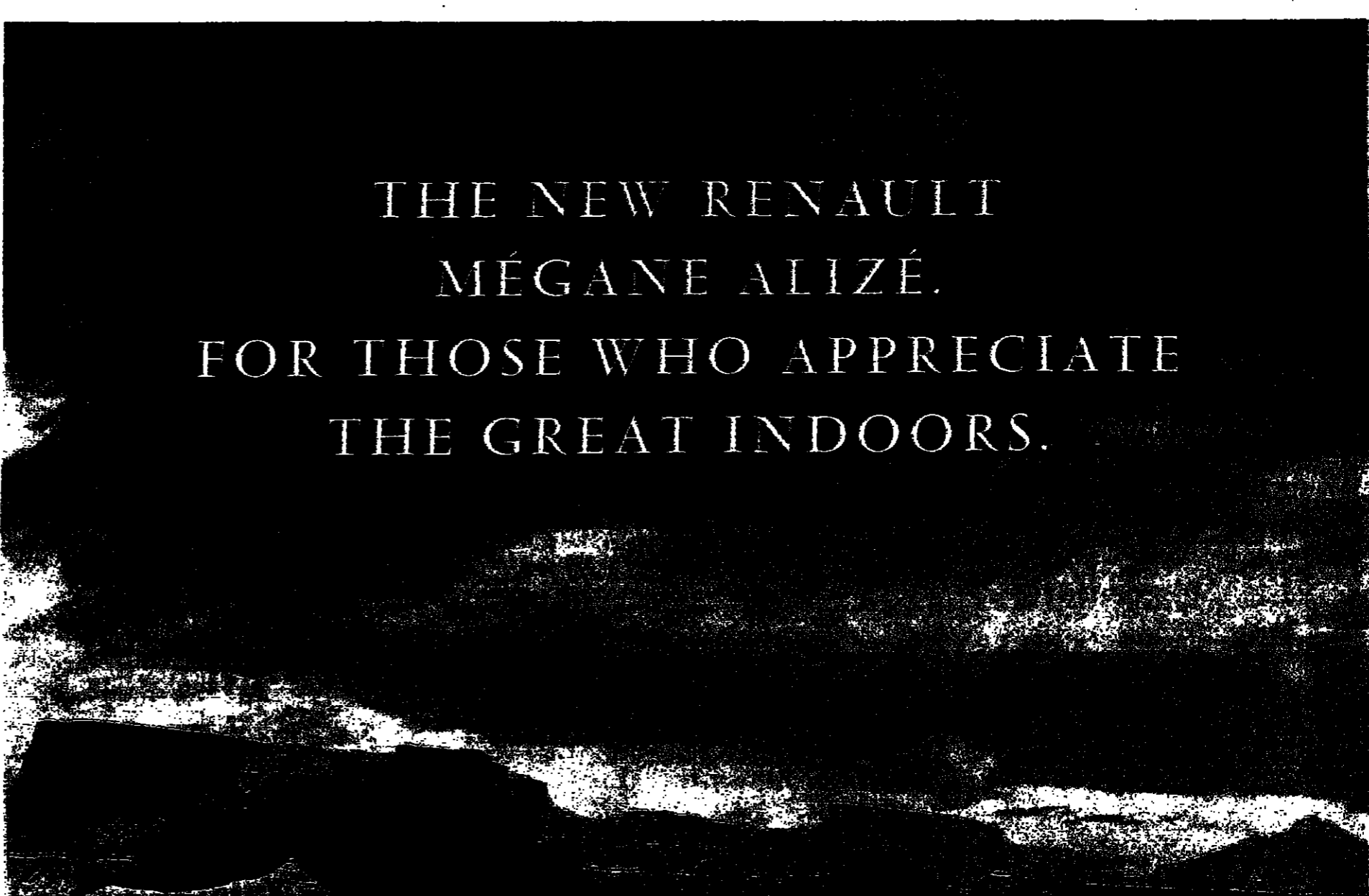
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Straw reshapes future for court circuit system

JACK STRAW wants to scrap the centuries-old court circuits as part of plans to create a regionalised criminal justice system in England and Wales.

The six court circuits, such as the Midland and Oxford, have developed since the 12th century as the framework for the organisation of the higher courts. But the Home Secretary wants to end the patchwork arrangements under which the court circuits, police, prison and probation services and Crown Prosecution Service all have different boundaries.

He favours a devolved criminal justice system based on ten regions in England and Wales: North East, Yorkshire and Humberside; North West; East Midlands; West Midlands; Eastern; South West; South East; Greater London; and Wales.

Officials have already embarked on plans to reorganise the prison and probation services to create greater coherence and efficiency and to end the present buck-passing when mistakes occur.

The Home Office has estimated savings of about £20 million a year for regionally-based prison and probation services after one-off restructuring costs of £9 million.

The next logical step, Mr Straw believes, would be to examine the circuit system — the administrative framework for courts in England and Wales and the focus for the organisation of the Bar and

Frances Gibb and Richard Ford report on plans to bring justice into line

the judiciary outside London. Every barrister and judge working in the regions is assigned to a circuit.

The move would create a stir at the Bar and among the judiciary. One judicial source said yesterday: "It could create a lot of ructions. The court circuit system is the basis not just for criminal justice but for civil and family justice, too."

"There would be a lot of resistance to its removal. The judges would certainly regard this as an issue that would require wide consultation."

A Whitehall source said that such changes would not necessarily be opposed by the Lord Chancellor, Lord Irvine of Lairg. "He is keen on ensuring a greater degree of co-operation between the different elements of the criminal justice system, both at a government and local level."

Officials believe that the new regional units — perhaps headed by a regional administrator — would have a greater sense of identity and responsibility for the criminal justice system in their locality. The

Courts and Legal Services Act 1990 states that there should be presiding judges for each of the circuits: Northern, North Eastern, Midland and Oxford, Wales and Chester, Western and South Eastern (which is now divided into London and non-London). But the Act also says that the Lord Chancellor has power to appoint such presiding judges for areas as he may think fit, so changes to the current system would not need legislation. Each circuit also has its own hierarchy of court officials, including a circuit administrator and courts manager. James Hunt, QC, leader of the Midland and Oxford circuit, said: "Why destroy something that has worked well for several hundreds of years?"

He said that the Bar was willing to be constructive and look at proposals to make change for good purpose. "But I am suspicious that this is change for the sake of it."

Mr Hunt said that the circuit was more than an administrative unit: it was a self-regulating and disciplinary network which allowed judges, the Bar and solicitors to communicate and problems to be swiftly tackled.

Dan Brennan, QC, vice-chairman of the Bar, said: "Legal circuits are closely integrated with the crown courts system and they provide a well-organised structure from criminal and civil justice which works for the citizen, judges and lawyers and the prosecution service."



Members of Greater Manchester Army Cadet Force: their numbers could soon rise

Cadets to benefit from Territorial Army cuts

By MICHAEL EVANS DEFENCE EDITOR

A SUBSTANTIAL reduction in the Territorial Army, to be announced today, will be matched by an increase in the Army Cadet Force, which is set to rise from 40,000 to 58,000 over the next five years.

George Robertson, the Defence Secretary, will confirm the reduction in the TA, from 57,600 to 40,000, when he presents his defence White Paper to the Commons this afternoon.

However, he will promise the TA that, in its reduced form, it will have a more relevant and more active role to play with the regular

Army. He will also make clear that the TA cuts will have a minimal impact on the Army Cadet Force, which has always relied on the Army part-timers for its own training.

The Army Cadet Force, which consists of young people between the ages of 13 and 18, is considered vital in maintaining a relationship between the Armed Services and the public. For this reason, it will be allowed to increase in size, although funding will have to come from private sector sponsorship and, possibly, the National Lottery.

The TA is also acknowledged to play a key part in linking the public to the

military community. However, ministers have decided that it is too large for the new post-Cold War world and that its role should be more narrowly defined.

In his White Paper, Mr Robertson is expected to underline the important role the TA plays in providing specialist expertise for the regulars. The boost for the Army Cadet Force will be welcomed as there had been fears that it would be seriously undermined by the predicted cuts in the TA. The Army Cadet Force currently has 10,000 girls among its members. The Cadet Force hopes to set up a training centre to provide sporting and other leisure activities.

Lesson one: nothing is ever really private

MANY politicians, civil servants and special advisers must have mused "it could easily have been me" when they heard about The Observer's entrapment operation against Roger Liddle.

Casual remarks at a party are distorted when an official is merely doing his job by listening to a proposal by a businessman about Government policy and by offering to put him in touch with a colleague. I must admit a personal bias in favour of believing someone I have known and trusted for 20 years rather than the bizarre Gregory Palast who evidently comes from the "they are all scoundrels" school of conspiracy theorists. So aside from some over-exuberant and ill-judged remarks by Mr Liddle about Derek Draper, is this the end of it? Not quite. There are important lessons for the Government, as Mr Blair rightly admitted yesterday.

The Tories have understandably attacked the Government for cronyism. But just as I never believed the Major Government, as opposed to a handful of Tory MPs, was corrupt, so I do not believe the Blair administration is sleazy. Its sins are more of hubris.

Some of the younger Blairites, both in Whitehall and outside in lobbying firms, are undeniably cocky. And ministers, as well as advisers, have displayed a casualness about established Whitehall procedures for avoiding conflicts of interest. Mr Blair is aware of the political damage that his Government could suffer if its "purer than pure" image is tarnished. After Labour's attacks on the Tories before the election, the Blair Government has to be seen to uphold the highest standards. Hence his request to Sir Richard Wilson, the Cabinet Secretary, to tighten up the rules of conduct about contacts with lobbyists.

Yet it is a deeper issue than merely educating an inexperienced administration in correct behaviour. Government links with business have changed dramatically in 20 years. The corporate

RIDDELL ON POLITICS

relationship between Whitehall and organised industry lobbies has been privatised. Government has increasingly dealt with individual companies with the sell-off of old nationalised industries, the extension of market testing, public/private partnerships and the increasing use of private consultancies. Business has looked to the state for contracts, while government has also broadened the scope of its regulation of the private sector.

However, despite a code of conduct, the ethical guidelines about how these relations should be conducted remain cloudy. On what terms should a civil servant or special adviser meet a businessman or lobbyist? There is a danger of being over-prescriptive. If government is supposed to be pro-business and public/private partnerships are desirable, then there is bound to be contact. It is a nonsense to demand that every contact be immediately disclosed, but officials should at least be required to keep a record of all such meetings and phone conversations.

The latest storm underlines the case for an independent ethics commissioner in Whitehall, akin to what Sir Gordon Downey, the Parliamentary Commissioner for Standards, does for MPs. Until now, that role has been performed by the Cabinet Secretary, but it is unreasonable to require him to challenge the ministers whom he serves. An ethics commissioner could provide advice to ministers and officials and investigate allegations of wrongdoing. Everyone in public life, including journalists, needs to remember that nothing is ever really private. The best guideline is: would you be happy to defend your actions and words if they appeared in *Private Eye*?

PETER RIDDELL

Married quarters sale costing £30m a year

By MICHAEL EVANS DEFENCE EDITOR

MORE than £30 million a year of taxpayers' money is being spent on renting and maintaining empty properties after the sale of the armed forces' married estate, MPs said yesterday.

The Commons Public Accounts Committee sharply criticised the sale under the previous Tory government of the 57,000 properties for £1.6 bil-

lion by the Ministry of Defence to a Japanese-led consortium. Under the deal, the Annington Group of companies stands to make large profits while the MoD is paying more than £100 million a year to lease back the homes while remaining responsible for upgrading and maintaining them.

The PAC said in a report yesterday that there were four main areas of concern. The sale price was £77 million to

£139 million less than the MoD's own assessment of the value if it had retained ownership of the properties and the management of the estate.

Even though the MoD had transferred some risk to the new owners, "the burden of managing the estate" still rested mainly with the ministry. The MoD was now in the business of maintaining and upgrading an estate which was in effect owned by somebody else. Annington Homes was given a 999-year lease.

Currently about one in five married quarters — more than 13,600 properties — was empty, which was "disturbing" when there were problems of homelessness in the country.

The committee said that if the quarters had been sold in smaller lots instead of the single bulk sale, the MoD would have made more money. It also cast doubt on the Treasury's advice to the MoD to ask Annington Homes for the sale price to be paid in two instalments.

Deferring payment of £700 million could have lost the Treasury up to £27 million, the MPs said.

The committee was mainly concerned that the MoD was still carrying out maintenance on the quarters. The MoD told the MPs that their advisers had ruled that excluding property maintenance from the sale, which "extremely unusual", would "avoid over-complicating an already novel sale transaction".

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PHIL HOUGHTON

Strawberry fields left to rot as rain scares off pickers

By SIMON DE BRUXELLES AND MARIA ALVAREZ

THOUSANDS of tonnes of mid-season strawberries are being left to rot in the fields because of the wet summer. Growers across the country have been left with a glut because they cannot find people prepared to pick it.

Pick-your-own strawberry farms and those that depend on hired labour say pickers have been put off by the prospect of being outside during one of the wettest summers on record.

The dull weather has also hit sales in supermarkets. When the sun shines, demand for strawberries increases dramatically but that has been such an infrequent occurrence this year that they have had to resort to price cutting and special offers to shift stock.

Conditions for growing the fruit have been ideal but even Wimbledon failed to stimulate demand. Sarah Olney has been left with 15 tonnes of

wasted fruit worth about £6,500. Mrs Olney, 37, who has four acres of pick-your-own strawberry fields at Uckington, Gloucestershire, said: "We have been here since 1992 and this is by far the worst year we have had. People seem to want to stay indoors with a bacon butty rather than get out and pick strawberries."

The price of strawberries has also fallen significantly. They cost £1.70 per lb in the shops compared with £1.99 per lb this time last year. The only place reporting an increased demand was Wimbledon, where 34,000kg of strawberries were sold during the fortnight, an increase of 30 per cent on last year.

Commercial producers who employ seasonal workers to gather the crop between May and July are also suffering massive wastage. Simon Bryce, spokesman for the National Summer Fruits Association, grows 140 acres of strawberries every year. He said that there was a national shortage of pickers. Mr Bryce, of Higham, Kent, said: "We have seen a wastage of about 20 per cent this summer because we just cannot get the pickers. That will cost us thousands of pounds this year and it is happening all over the country. We will definitely have to scale down next year."

The Somerfield supermarket chain reported a disappointing season for strawberry sales. A spokesman said: "Demand has not been nearly as good as it should have been, given a great strawberry season. Interestingly demand tumbles when the sun comes out."

A spokesman for the Bristol Weather Centre said: "There were three glorious weeks in May which were perfect for growing the fruit followed by a dull, wet June. Although June wasn't quite the wettest this century it took the record for the number of days on which we had rain: 24 compared with 22."

The wet weather has also affected the breeding cycle of many birds. Blue tits and



Thousands of tonnes of ripe strawberries going to waste because growers cannot find enough seasonal workers willing to pick them

great tits have suffered the worst, with hundreds of thousands of eggs and chicks failing. At their peak, there are about 3.3 million blue tits, and 1.6 million great tits. Numbers have already fallen to 3 million and 1.5 million respectively. Chris Mead, one of

Britain's leading ornithologists, said: "It is undoubtedly the worst breeding year for tits in living memory."

The rain has also brought out armies of snails and slugs that have been feasting on plants, flowers and vegetable gardens. Liz Biron, survey

manager for the Somerset Environmental Records Centre said: "The weather has made it a boom season and we are trying to figure out the best way to get rid of them." A possibility may be the use of aluminium sulphate pellets — a remedy that may not be

harmful to wildlife, she said. Miss Biron has tried boiling them for 45 minutes, then cooking them with garlic and butter. "They were still quite bitter," she said. "I was rather put off by them".

Forecast, page 22

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Alert on gene crop threat to wildlife

By NICK NUTTALL
ENVIRONMENTAL
CORRESPONDENT

THE Government's wildlife advisers have called for a five-year ban on the commercial growing of some genetically modified crops.

English Nature said that the herbicide-resistant crops could be "the final blow" for such species as the corn bunting and linnet because the seeds and insects on which they feed could be wiped out.

The fear is that although the crops will be able to withstand herbicides, the weeds around them that are part of the foodchain for insects and birds will be eliminated.

Brian Johnson, English Nature's expert on genetically modified organisms, said yesterday that the imminent approval of commercial gene-altered crops had prompted the statement to ministers today. The moratorium would give researchers time to understand better the ecological impact of the crops.

"We are now fairly close to the first commercial releases. But these are very crude. Yet very quickly we may have better and safer genetically modified crops. We are going to have this technology for thousands of years. It seems sensible to take a more cautious approach," Dr Johnson said.

□ A Devon farmer will seek leave in the High Court tomorrow for a judicial review of approval for trials of gene-altered maize beside his organic farm. Guy Watson fears that the pollen may cross-pollinate with his sweetcorn and reduce its value.

Financial help for golfing students

By PAUL WILKINSON

STUDENTS looking for suitable courses are being offered an extra incentive to choose York University.

Two undergraduates will each receive a £1,250 bursary from the Royal and Ancient Golf Club. They will also be given full membership of the nearby Fulford Golf Club and regular coaching.

To qualify, students must be "category one" golfers with a handicap of four or under. They will also be expected to turn out for Fulford and the university golf teams.

Peter Thompson, chairman of the university's sports committee, said: "Some teenagers get quite good at sport when at home but it all gets disrupted when they go away to university. It would be nice to offer clever people a chance to get top-class training and help them improve their game."

Unlike the sports scholarship system which operates at universities in the United States, the York students must already have a place on an academic degree course to qualify for the bursaries. Golf club junior coaches will act as scouts for potential candidates and the university will advertise the awards.

Colin Smith, the university's director of sport, said that playing golf while at university helps students to develop social skills which are valuable in future life. The R&A first offered bursaries three years ago to students in England, although they have been available in Scottish universities for some time. In all, eight students are currently receiving financial help.

More couples decide not to have children

By ALEXANDRA FREAN, SOCIAL AFFAIRS CORRESPONDENT

INCREASING numbers of couples are choosing to reject parenthood, according to research which predicts that one in five women born in 1975 will never have children.

A Family Policy Studies Centre report yesterday said the rate of childlessness was more than twice the rate for women born in 1945. Far from fixing the stereotype of work-obsessed careerists or ultra-centred individualists or ultra-feminists who scorn family life, the study suggests that childfree women and their partners hold conventional views about relationships and parenting and are rarely driven by professional ambition.

Defining those who are voluntarily childless is fraught with problems. A woman might delay her decision to have children, only to encounter fertility problems later. While 14 per cent of individuals will experience infertility at some time, only about 4 per cent of couples will remain permanently infertile.

Although it was extremely difficult to distinguish between voluntary and involuntary childlessness, the report

it was clear that more people were taking an active decision not to have children. That was partly a result of the greater availability of contraception but could also be put down to lifestyle choices. Lynda Clarke, co-author of the report, said: "Before, the emphasis was on people who decided not to have children. Maybe the decision nowadays is more about people actively deciding to have them."

The survey, based on interviews with 45 people, revealed a high degree of caution about assuming the responsibilities of parenthood. Childless couples tended to be planners by nature, who feared that children would bring disruption, change and financial insecurity into their otherwise settled lives.

Fiona McAllister, one of the report's authors, said that contrary to accepted wisdom, the difficulty of balancing work and family life did not appear to be a major factor. "Work did not seem to be central to their feelings of fulfilment. In fact, a surprising number said they were looking forward to, early on,

صكزا من الامم

Milan court finds Berlusconi guilty in bribery case

FROM JOHN PHILLIPS IN ROME

SILVIO BERLUSCONI, the media tycoon and Forza Italia leader, was convicted yesterday of bribing tax inspectors and sentenced to two years and nine months in prison in a major setback for the chequered politician.

The judges of the Milan tribunal announced the decision after deliberating for six hours. The case followed a lengthy investigation into Berlusconi and his Mediaset empire by the magistrates who were investigating the *Mani Pulite* (clean hands) anti-corruption crackdown launched in 1992.

The conviction was the second for the television mogul who made a fortune by bombarding Italian viewers with soap operas and satirical advertising featuring scantily-clad young women. Last December Berlusconi was convicted of false accounting in the Medusa film company and was sentenced to one year and four months in prison. He was pardoned under the terms of an amnesty.

There is no possibility of his going to prison in the near future. His lawyers said last night that they would appeal against the latest conviction, which means it could be several years before a definitive verdict. But his conviction was hailed by judicial experts as a sign that the Milan judiciary has retained much of its independence in spite of efforts by part of the Establishment to muzzle the judges.



Berlusconi: appeal plan makes jail term unlikely

The conviction also may have dealt a fatal blow to

Berlusconi's ambition to become president of the Italian Republic. On Monday he had already begun thundering his familiar claims that he is being persecuted by magistrates whom he considers to be close to the former Communist Party. He was responding to claims by a police informer from one of the most vicious crime gangs, the Banda della Magliana, who accused Berlusconi of laundering money on behalf of the Sicilian Mafia.

Ennio Amodio, Berlusconi's lawyer, said yesterday: "He told me that this was a political sentence that expresses the orientation of a regime and that there is no justice for him in Milan."

Berlusconi did not immediately say whether he would keep a public promise he made some time ago to leave Italy if he was convicted.

There has been speculation that he might join his friend and one-time political godfather, the former Socialist Prime Minister Bettino Craxi, who escaped to Tunisia to avoid prison for his part in the corruption scandal.

Later this month Berlusconi is due to be sentenced in another case involving a £5 million bribe that he is alleged to have paid to Craxi.

On Monday the underworld supergrass, Antonino Mancini, made his allegations of direct links between Berlusconi and the Cosa Nostra while giving evidence in Palermo, the Sicilian capital, at the trial of the Forza Italia MP, Marcello Dell'Utri, on Mafia charges.

Signor Mancini said of Berlusconi: "He is a recycler of illicit capital, with the money of Cosa Nostra and those of our racket he has managed colossal building speculation in Sardinia."

Berlusconi has several villas in Sardinia and spends his holidays there together with his entourage.



Markku Kankaristo, salvage team captain, with a bottle of the 1907 champagne

Champagne pops up again after 80 years under the sea

BY CHARLES BREMNER

A SWEDISH salvage team hopes today to raise from the Baltic a multimillion-pound cargo of champagne, cognac and port wine that went down on board a wooden ketch torpedoed in 1916.

Divers yesterday began attaching steel cables to the hull of the *Jonkopings*, whose freight, destined for officers of the Russian tsar, is believed to have been kept in a near-perfect state, 200ft below the surface, 25 miles off southwest Finland.

Experts from the Swedish-led C-Star consortium which found the wreck in June last year have already sampled the champagne — a 1907 vintage of the Piper Heidsieck Company of which only three other bottles are known to exist — and found it in impeccable condition. The 44 crates of champagne, of the same year and brand as that stocked by the *Titanic*, were being carried from the Swedish port of Gävle to Finland along with 67 barrels of cognac and 17 barrels of port. The cold sea of the Gulf of Bothnia is believed to have provided ideal conditions for preserving the wine.

The auction value of the trove, estimated at tens of millions of pounds, has helped to fire a dispute between the C-Star consortium and a Finnish group, Peter Fryckman, a Finnish

spice merchant who mounted the rival operation, said a member of his family, who supplied the Russian army in what was then the Russian Grand Duchy of Finland, had been the owner of the cargo. The group stationed a vessel over the wreck last month until a local court ordered the Finnish divers to leave the site last Saturday.

It ruled in favour of the consortium on the basis of the international salvage law of "finders keepers". Mr Fryckman said he would defy the order, but was undermined when his divers reached a deal with Claes Bergvall, the chief of the Swedish team.

Mr Bergvall, who described the champagne as "relatively sweet, with a very powerful flavour," said he was optimistic that the fragile hull could be brought relatively intact to the surface early today.

The group plans to tow the *Jonkopings* back to Gävle.



Over 40 held in Sicily after anti-Mafia raids

Palermo: Police yesterday arrested more than 40 people suspected of ties to the Mafia, including prominent Sicilian businessmen and politicians.

A former mayor of Palermo, the island's capital, was among those held, along with a former provincial president and two executives of a company owned by Fiat, the Italian motor company. In

overnight raids, police arrested 31 people in the Palermo area and 15 in Trapani, on the west coast.

The businessmen and politicians allegedly received bribes in exchange for helping Sicily's organised crime clans to secure public works contracts. Police said several Mafia turncoats helped them to break the case. (AP)

'Milked' caviare may end squeeze on sturgeon

FROM ROBIN LODGE IN MOSCOW

A NEW method of caviare extraction is being developed near the south Russian city of Astrakhan which, if adopted on an industrial scale, could save the sturgeon, internationally recognised as an endangered species.

Ekoresursy, a firm employing six people at a fish farm on the Volga delta, have found a

way to "milk" sturgeon of caviare, while keeping them alive. A small slit is made in the fish's abdomen, the eggs squeezed out and the sturgeon returned to the water. The method is slow, but it could be cost-effective, as it allows the fish to live on and spawn again, perhaps ten more times in its lifetime.

The World Wide Fund for Nature has estimated that stocks in the Caspian, home to more than 90 per cent of caviare-producing beluga, ossetra and sevruga sturgeon, have dwindled from 142 million to under 40 million in the past two decades. If the

process continues, sturgeon could disappear altogether in another 20 years.

The decline was caused primarily by zealous overfishing in the late Soviet period. Now the Russian authorities have imposed strict quotas, but they have been unable to control the activities of poachers or to enforce limits on other countries on the Caspian. Only in Iran is there effective control on the industry — the Iranians now put more sturgeon from their farms into the Caspian than they take out for caviare.

Yelena Chertova, director of Ekoresursy, is under no illu-

sions about the impact of her work. She said: "So far this is a very small-scale enterprise, purely on an experimental basis. We are a long way from getting our methods accepted and adopted by the caviare industry."

Under the traditional method, the sturgeon are swept up with thousands of other fish in huge nets, stretching hundreds of yards across the river. The sturgeon are dragged ashore and slit open from head to tail, so that the caviare can be scooped out by hand. It is then rubbed through a sieve to remove membrane and tissue, washed and salted

before being sealed in cans at the riverside factories.

The problem with this method is that male fish and immature females are swept up with the caviare-bearing fish. Bearing in mind that a beluga sturgeon can take up to 16 years to mature, this is extremely wasteful.

Experts have their doubts about the new method. John Stas, managing director of caviare importers WG White Ltd, said he had tried the Ekoresursy product and that it had a "strange taste" though this may have been due to the fact that it had been pasteurised.



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حکومت الامم المتحدة

Russian submarine launches satellite

Moscow turns its nuclear fleet to peaceful purpose, writes Robin Lodge

IN WHAT the Russian Navy said was the first launch of its kind, a nuclear submarine fired an adapted SS23 intercontinental ballistic missile from the Barents Sea early yesterday, carrying a commercial satellite in place of its nuclear warhead.

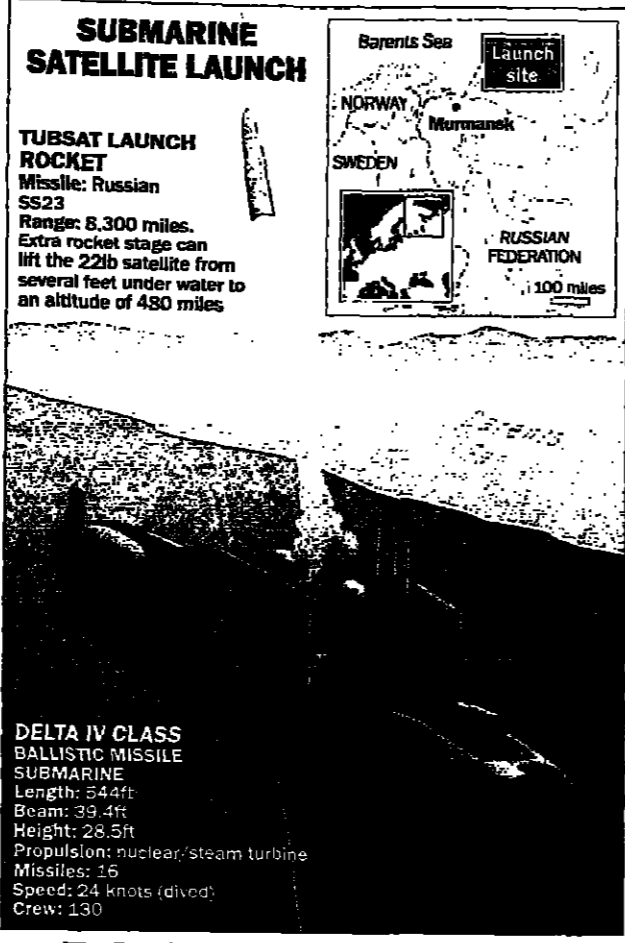
If the project attracts customers, many of the Delta-4 submarines, built from 1984 to 1992, presently due to be scrapped under the 1993 Strategic Arms Reduction Treaty, would be given a new lease of life. A navy spokesman said the *Novomoskovsk* fired the missile from a few miles north of the port of Murmansk at 0315 GMT. Some 90 minutes later the 22lb satellite was put into orbit and began sending signals back to Earth.

The launch was seen as a major boost to Russia's efforts to commercialise its space programme as well as adapt the mass of weaponry left over from the Cold War to civilian use. There have already been several launches of commercial satellites using military boosters from ground bases such as Baikonur in Kazakhstan and Plesetsk, near the northern port of Archangel, but this was the first sea-based launch.

The advantage of using a submarine is that it enables launches to take place from almost any latitude, thus hugely increasing the range of orbit. They can also take place at any time and under any weather conditions, making the venture extremely attractive to the world's satellite-producing companies.

The satellite launched yesterday was a German-built Tubsat-N research satellite, which will provide communications and monitor the movements of wild animals in northern parts of the globe. Designed by the Berlin Technical University, it is capable of detecting the movements of individual animals.

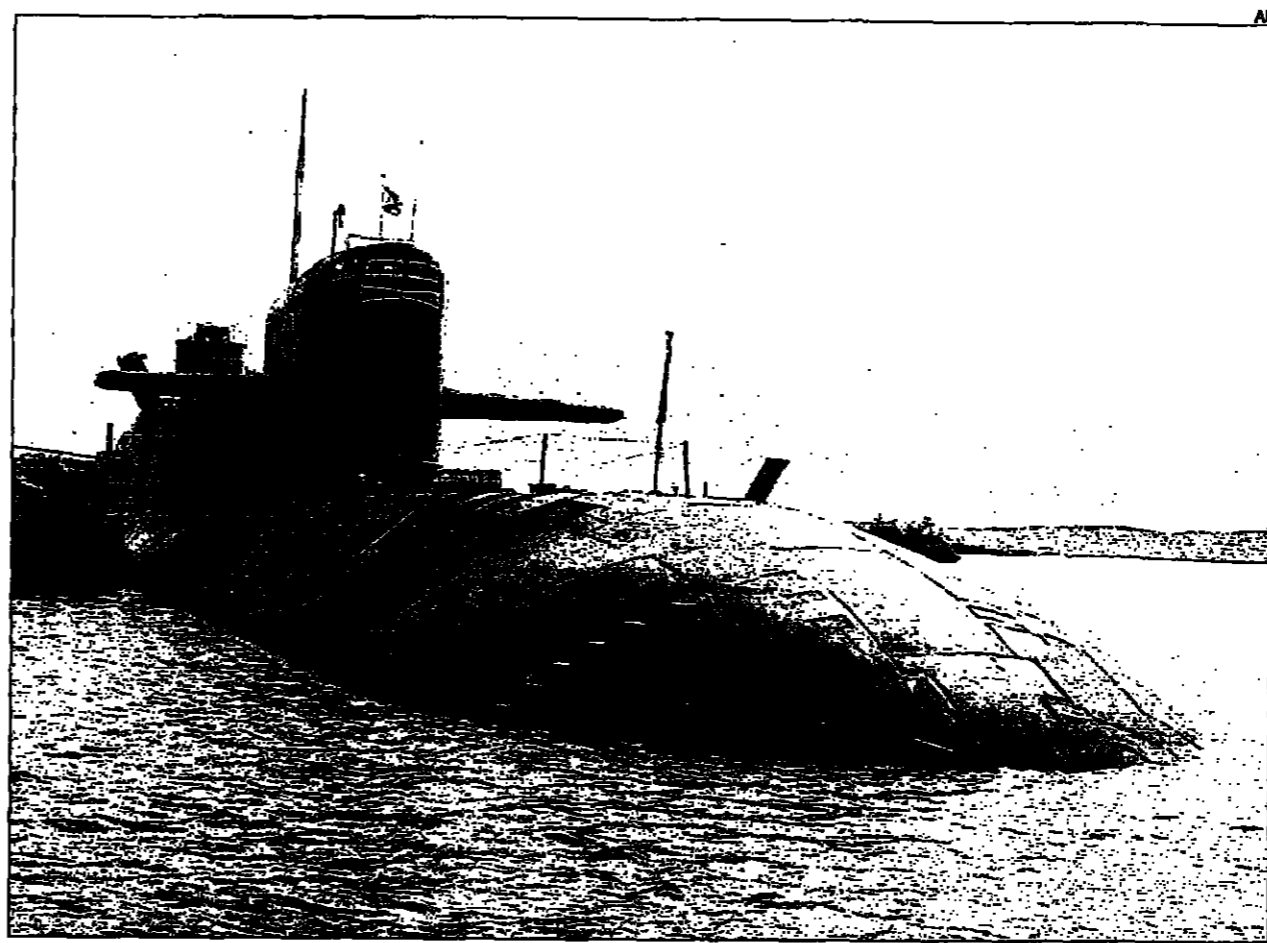
Russia is also experimenting with using oil platforms as



The Russian nuclear submarine *Novomoskovsk*, which acted as launch pad for a German satellite. Russia hopes its success will boost its flagging space programme

mobile launch pads. But these take longer and cost more to move into position than submarines and are also affected by heavy seas.

The launch was the result of years of co-operation between the Makeyev state rocket centre in the Urals city of



The Russian nuclear submarine *Novomoskovsk*, which acted as launch pad for a German satellite. Russia hopes its success will boost its flagging space programme

Miss, where the booster was built, and the Northern Fleet, which was responsible for the launch. If it is deemed a success, it could provide welcome relief to the cash-strapped navy, as well as providing crews with much-needed practice in launch

procedures, almost abandoned since the Cold War. President Yeltsin has frequently expressed his determination to inject new life into Russia's space industry, which has been struggling to survive, since the collapse of Soviet power. International confi-

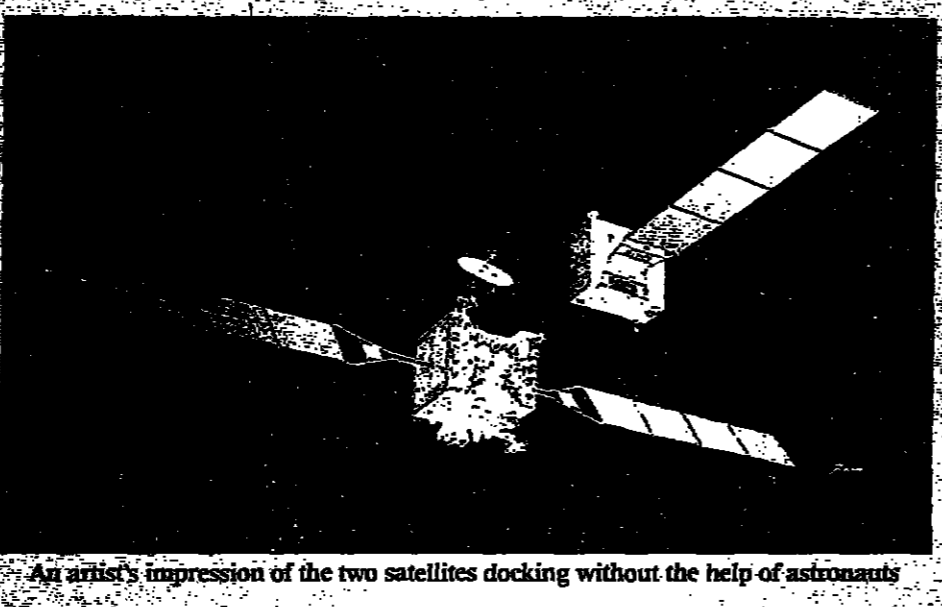
dence in Russia's ability to maintain its leading position in space research and exploration has been severely dented by the abandonment of major projects like its shuttle programme, as well as the recent chain of disasters and mishaps on board the orbiting

space station Mir. Russia's commercial programme has also suffered setbacks with several launch errors, leading to the loss of satellites and equipment worth millions of pounds. Last December, the AsiaSat-3 communications satellite owned

by the Hong Kong-based Asia Satellite Communications Holdings was lost when a Proton rocket went off course during the final phase of its route into orbit after its launch from Baikonur.

But there have also been many successes and Russia is estimated to have made some £400 million from commercial launches last year, with some £600 million worth of launches currently on order. It has also embarked on another commercial venture — advertising in space. The most memorable example was in 1996 when two cosmonauts floated out of the Mir station to inflate a giant replica of a can of Pepsi-Cola.

□ Tel Aviv: Israel will launch a new observation satellite before its ageing Ofek-3 runs out of energy and burns up in the Earth's atmosphere, the chairman of the Israel Space Agency said. Yuval Neeman said a replacement for the spy satellite — which was initially expected to expire this year — would be ready in time, despite the fact that an earlier attempt to replace it had failed last January. (Reuters)



An artist's impression of the two satellites docking without the help of astronauts

Japan space probes in unmanned docking

Tokyo: Japanese space officials, elated by the successful launch on Saturday of their first probe to Mars, had new reason to celebrate yesterday when two of their satellites docked without the help of astronauts.

It was the first time such a manoeuvre had been achieved, said Mitsunori Miyasato, a spokesman for the National Space Development Agency.

The two satellites had been separated by about six feet for less than 30

minutes. To be reunited they read each other's position using sensors and lasers, according to Mr Miyasato.

NHK television showed scenes of the smaller satellite inching towards the larger one, which glipped it with three sets of pincers.

The experiment was in preparation for transporting equipment and supplies to a space station which an international consortium, including Japan, is to start building in October. (Reuters)

British grant to aid jail reform in East

By MICHAEL BINYON, DIPLOMATIC EDITOR

PERSECUTION, disease, cruelty and overcrowding made prisons in communist countries among the harshest in the world. But despite the fall of the Iron Curtain, conditions in many Eastern European and Central Asian jails have improved little.

Hard-pressed governments have no spare cash to rebuild dilapidated buildings or retrain brutal prison guards. The British Government has just announced a £250,000 grant to help a British project that is trying to change the prison culture in former communist countries and cut the high rate of death, disease and intimidation.

The money will support the International Centre for Prison Studies, a project that began at King's College London last October and has already started training courses in Russia, Eastern Europe and some of the Central Asian capitals.

Andrew Coyle, the project director, said that conditions in pre-trial prisons were especially bad. "Accused persons can spend several years locked in small rooms with up to 90 others, suffering poor sanitation, insufficient food, an inadequate air supply and a shortage of beds," he said.

"Conditions such as these lead inevitably to problems of violence and ill-health."

Tuberculosis is now rampant in many jails, with up to a quarter of all those detained becoming infected. Death rates of young prisoners are extremely high. Many local administrations are at most bankrupt and public opinion opposes spending scarce resources on prisons. In some of the worst cases, especially in Central Asia, Soviet regulations are still in use and prisons are controlled by gangs.

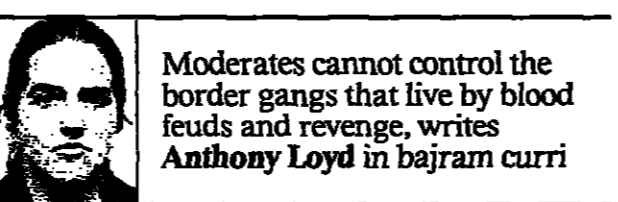
Dr Coyle, a former Governor of Brixton Prison with 25 years of experience in the prison system, said that money was not the main problem. The battle, now largely won, was to get prison administrations to admit their problems and then to introduce new ideas and better staff training.

The King's College project, to run for three years, is the first of its kind in Western Europe and is working with humanitarian agencies such as the Red Cross and Médecins sans Frontières.

The project has set up two training centres in Russia, one in Ukraine and one in Kazakhstan to train staff and provide support for local initiatives.

Gun law defies diplomacy in Albania's wild north

The shooting was almost banal by the standards of northern Albania where robbery, hijack, murder and armed retribution occur with such frequency that a traveller can become almost blasé to the backdrop of violence in a matter of days. It was only hours afterwards, when the dirty streets of Bajram Curri remained deserted, that the significance of the incident became apparent.



Moderates cannot control the border gangs that live by blood feuds and revenge, writes Anthony Loyd in bajram curri

tion attempt or merely a casual display of violence, Mr Rexha, who had come to Bajram Curri to start a dialogue with fighters of the Kosovo Liberation Army based here, left town the following morning for the comparative peace of Tirana.

In a land awash with conflicting rumour, nobody seemed to know who the assailants were — renegade KLA guerrillas, opportunist bandits, local Mafia or Albanian agents. But the message was the same: the moderates on whom a negotiated solution for Kosovo's stabilisation may depend are unable to control the armed groups here.

"We have no co-ordination with the KLA and almost no dialogue," said one of Mr Rugova's representatives in town. "We are trying to establish a common agenda with them but at the moment it is difficult to find out who is even in command here, let alone speak to them." This is a land

governed by the gun, medieval clan structures, and laws like *kanun* — blood feuds and retribution.

Albania's national integrity itself could be at stake as a result of the Kosovo crisis. The people of the state's northern mountains are Ghegs, a tribal identity they share with Kosovar refugees. They are fiercely loyal to the ousted President Sali Berisha and resent the Tirana Government dominated by southerners of the Tosk tribe. There are strong undercurrents of Albanian nationalism among the Kosovo population and it is not uncommon to find refugees and KLA fighters who believe that a new national border should be taken northwards as far as Nis in Serbia as well as incorporating chunks of western Macedonia.

The influx of Kosovar fighters, now the largest armed group, has given their sentiments the backing of weaponry and anger, which is not only directed at the Serbs and Kosovar moderates. Tirana's representatives, sent into the area to try to assert the capital's authority, are largely despised, none more so than the small band of special police recently deployed to Bajram Curri.

"We are just biding our time with their presence," one gunman said. "When the day

arrives, we know we can send them home with a good burst of fire. Even our local police hate them."

The presence of any police in Bajram Curri is of relative value. Three nights ago, the tiny foyer of my hotel became the scene of a tense stand-off between an armed group inside and three gunmen trying to force their way in.

The only man in town who is respected is Haskaj, until six weeks ago the local police chief. However, warlords from a rival clan killed his brother, shooting him eight times. Haskaj handed in his badge, declared a *kanun*, and has since killed eight men in retaliation. One of his victims was another police officer whom he shot in the police station. Elsewhere, Haskaj would be called a serial killer. Here he lives freely, if heavily armed, untouched by any concept of Western law.

Kanun blood feuds can divide families for decades, and are already making their impact on the most recent crisis. Recently, a policeman shot dead a man in nearby Tropoje, the last, tiniest and possibly wildest town before the Kosovo border that serves as a

meeting point for incoming refugees and KLA fighters. The killing began another blood feud. As the policeman was related to the local kingpin, one Isa Memia, both had to go underground, leaving humanitarian organisations without any obvious form of authority to deal with.

Though one of their family was in turn killed the next day, the warlord, the policeman and their families must lie low for a stipulated 40 days until a blood price is worked out between clan elders. How Nato, Belgrade, Europe and Mr Rugova can pull a diplomatic solution out of circumstances such as these is hard to imagine.

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UN in war crimes ruling

The Hague: The chief war crimes prosecutor for the United Nations said yesterday that she judged there was an armed conflict in the Yugoslav province of Kosovo, thus clearing the way for war crimes charges to be brought.

Louise Arbour said she had passed her views to the Contact Group — comprising the United States, Russia, France, Britain, Germany and Italy — before it meets in Bonn today.

She has already indicated that she has jurisdiction to investigate possible violations of humanitarian law in Kosovo. (Reuters)

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Cosby trial escapes the OJ treatment

CNN star under fire over nerve gas report



Mikhail Markhasev being led from the court as a jury started deliberating the murder charge

THE jury began deliberating yesterday in a celebrity murder trial in Santa Monica with a businesslike manner that did much to restore faith in a justice system which three years ago seemed to have been permanently tarnished by the O.J. Simpson saga.

For the first time in the trial of Mikhail Markhasev, who is accused of killing Bill Cosby's only son, the entertainer appeared in court in Santa Monica on Monday. Flanked by his wife and two daughters, he listened to closing arguments that brought the first sign of passion from lawyers who for once have been denied a media spotlight.

With no television in the courtroom and a gag order on everyone involved, the case against Mr Markhasev, a 19-year-old Ukrainian immigrant, has been heard in two weeks. Linked to the shooting of Ennis Cosby, 27, by DNA found on the murder weapon and by a series of jail letters in which he all but confessed to the killing, the wan and lanky Mr Markhasev can only hope the jury will believe his lawyers' claim that the police arrested the wrong man.

Mr Markhasev's defence — no "dream team" this time, but a pair of court-appointed

A judge and the victim's family take credit for swift, exemplary justice, writes Giles Whittell

lawyers — argued that prosecution witnesses tailored their stories to win leniency in separate cases and a \$100,000 (£62,000) reward offered by the *National Enquirer*. They also claimed the apparently incriminating letters had been forged, and that the police drawing of the suspect looked nothing like their client.

The prosecution case was that Cosby, who was shot while changing a flat tyre on a dark road, was the victim of a robbery that went wrong.

Experts have been impressed with Judge David Perez's handling of a trial that, to judge by the crush of satellite trucks drawn up outside court on the opening day, the networks hoped would prove a daily ratings feast on a par with the two Simpson

trials. Instead, Judge Perez issued strict warnings that race-based arguments would not be tolerated.

He also gave a warning to the defence not to put the police on trial for alleged flaws in their investigation — a tactic that worked wonders for Johnnie Cochran, Mr Simpson's lawyer.

These were appropriate instructions, for Bill Cosby, America's favourite television dad, is an icon who happens to be black but transcends colour. Never an orator for ethnic subgroups, he barely spoke in public in the months after his son's death. Putting his faith in the legal system, he mourned Ennis as "my hero" and retreated from view.

Mr Markhasev had been in trouble with the law before. With a foul mouth, according to investigators, and a history of gang links, it seemed plausible enough when one witness claimed he heard him say: "I shot a nigger. It's all over the news. It's big."

Nonetheless, this trial is more likely to go down as a random collision of showbiz royalty and immigrant flotsam than a clash of black and white. For that, the credit goes to Judge Perez and Bill Cosby himself.



Bill Cosby entering court to hear closing arguments in the trial of the man accused of killing his son



Ennis Cosby pictured after graduation, left, and members of his alleged killer's family, their faces covered, leave the Santa Monica courtroom

PETER ARNETT, the star reporter for Cable News Network (CNN), is under fire from his own colleagues for his role in a story — retracted amid uproar last week — that the American military had used nerve gas.

The attacks come as hundreds of CNN staff question why the managers and the Pulitzer Prize-winning Mr Arnett have barely escaped retribution in the week since the cable station formally retracted the report and fired two senior staff.

The June 7 programme, *Operation Tailwind*, claimed that the US military used nerve gas on a 1970 mission in Laos and targeted American military defectors in doing so. It aroused disquiet among CNN managers before it was shown and provoked a furious Pentagon denial.

Following an urgently-commissioned investigation by Floyd Abrams, a prominent media lawyer, CNN fired the two producers, April Oliver and Jack Smith, who stick by their story, based on eight months of research.

Mr Arnett said that he came to the story late, and was in Baghdad during much of its preparation. But criticism of his role has grown since it emerged this week that he conducted three interviews for the programme. One interview is said to have been with a pilot who claimed his aircraft was loaded with tear gas, not nerve gas, a statement which runs counter to the thrust of the report.

US general's affairs haunt the Pentagon

FROM TOM RHODES IN WASHINGTON

THE American military was plagued by further sexual scandal yesterday after an inquiry revealed that a former general engaged in illicit affairs or unbecoming conduct with the wives of four officers under his command.

Major-General David Hale, the US Army's former Deputy Inspector-General and a previous commander of Nato forces in Turkey, was discovered by Pentagon investigators to have engaged in a "pattern of inappropriate behaviour". He was also found to have sanctioned the misuse of government resources by paying for an international trip for one woman and then lying about it to protect himself.

In spite of a criminal complaint filed by one subordinate's wife, General Hale, 53, took early retirement in February with the blessing of his superiors. A recipient of the Purple Heart for actions in Vietnam and a career infantry officer, General Hale has vigorously denied all the charges. The report yesterday signifi-



Hale: had affairs with junior officers' wives

cantly expands the controversy surrounding his actions, however, and again raises the spectre of adultery for a Pentagon that has been reeling since several drill sergeants were accused of sexual misconduct at Aberdeen Proving Grounds, a Maryland training centre, two years ago. It also came after a decision by military chiefs last year to introduce a strict code of morality in an attempt to crack down on adultery and other crimes of the heart banned under America's Uniform Code of Military Justice.

William Cohen, the Defence Secretary who ordered the inquiry into the general, may be forced to take action against General Dennis Reimer, the US Army Chief of Staff. General Reimer permitted General Hale to retire quietly from his post as Deputy Inspector-General although the inquiry was under way and has since faced accusations from Congress that military justice op-

erates different standards for officers and for enlisted men. If General Hale is prosecuted, he must first be called back to active duty and the Pentagon said there was no record of that happening to a general.

Carolyn Maloney, a New York Democrat in Congress, attacked the retirement decision. "General Hale is retired somewhere, fat and happy, while others who are accused of lesser crimes face courts martial, public humiliation and financial ruin," she said. "This was a very powerful man who thought he could get away with anything, and he still might."

In other cases, the Pentagon has vigorously pursued those accused of sexual misconduct. Last year, Sergeant-Major Gene McKinney, the senior enlisted officer, was prosecuted on 18 counts of sexual misconduct. He was convicted on only one charge of obstruction of justice. Lieutenant Kelly Flinn, America's first woman bomber pilot, was also pursued relentlessly once accused of adultery.

The allegations against the general resulted from a criminal complaint by Donnataria Carpino, the wife of a colonel serving under General Hale when he was commander of the Nato base at Izmir. She accused him of coercing her to have sex by threatening to bring charges of adultery against her husband.

It is now time for the Army to keep the faith with the American public and recall Hale to active duty and remove those stars he dishonourably wore on his shoulders," Ms Carpino said.



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Heaven for working mothers.

Clients visiting the Windsor base of the market research company Leapfrog customarily scrawl their names on a wall. Among the signatures of corporate chiefs are numerous examples of more childish calligraphy. They are the work of the children old enough to hold a pencil whose parents work for the company and are a testimony to its pioneering family-friendly policies.

There are no raised eyebrows or demands for silence when the children pop in. The traffic is two-way: employees have a degree of autonomy unknown in the traditional British workplace. If they have personal business to attend to, from a dental appointment to their participation in the mothers' or fathers' race at the school sports day, they mark their diaries with "morning out", no questions asked. At the times of greatest activity for parents of young children — the end of the summer term, summer holidays, Christmas — a PA does the rounds, ensuring that everyone has blocked off time for carol concerts and prize-givings.

In this way Leapfrog has attracted a pool of female executive talent that would otherwise have been diverted into full-time mothering. For the working mother, even with a reliable nanny, it is the guilt and disappointment of missing her child's performance in the school play twice running when urgent business crops up that determines her decision to give up work.

Judy Taylor, 35, the joint managing director and a mother of four, says: "It feels different here, as if everyone is doing their own thing. We're very open with our clients about the way we work. We throw ourselves into business but we have a sense of perspective. If someone wants a day off because they're hacked off, that's OK. We get more out of people this way."

Leapfrog Research and Planning Limited has thrived on its revolutionary social policy, with a turnover this financial year of £2.1 million. It works in qualitative, or in-depth, market research, investigating the impact of products using focus groups or one-to-one interviews. Its 75 clients include Camelot, Coca-Cola, Tesco, ITV Network Centre, and Saatchi & Saatchi.

Taylor's four-year-old son, Henry, was dropped off at the office recently so she could take him to buy a new pair of trainers — this company knows that "quality" time at the end of the day is not enough; the tiresome business of fitting a child for shoes cannot always be left to the nanny.

Taylor takes Fay, 9, Lucy, 7, and Henry to school in Windsor every morning, while a nanny cares for 20-month-old Orlando at home in Marlow, Buckinghamshire. On evenings when she is not doing field work, she also picks them up from school.

She co-founded Leapfrog four years ago after the birth of her third child. Her joint MD, Andrea Berlowitz, was planning to have children, and they shaped the company around family needs: "There was never any question that anyone with kids would have a problem working here."

Everyone from the highest to the lowest is entitled to time off, and the entire workforce sits together in an open-plan office.

Imagine being told by your boss to take time off for the school play or sports day. That's what happens at Leapfrog (turnover £2.1m). Moira Petty reports



Bring your work home, and vice versa: if employees need time off to buy shoes for the children or take the dog to the vet they can have time off, no questions asked

Everyone works in pairs, which alter for different projects, so that if a client rings, there is usually an executive in the office familiar with the account. There are also regular status meetings so that everyone knows what their colleagues are doing, and details of each job are computerised.

One criticism of family-friendly companies is that the single and childless have to carry the burden, but Leapfrog's research manager, Julie Hindmarch, 32, says this is not the case. Her elderly childless cross, Ben, often snoozes under her desk and she takes time off to take him to the vet.

"If my dog-walker is detained, I might bring Ben in. Living by myself, there are quite a few things that can crop up for which I need time off. If the plumber is coming round, I might need to let him in,"

she says. "Leapfrog respects your personal life, not just family life. I'm single and childless now, but who knows what will happen? In other companies women with babies often don't progress."

Sandra Skinner, a 36-year-old PA, benefited from the company's flexibility last year when she was planning her wedding. She took an afternoon off on a mid-week day to choose her wedding dress and left work early three times for fittings. "People here are more relaxed and more helpful towards each other," says Skinner. She runs the MDs' shared diary, into which she enters important school dates.

Jane Sharp, a director, employs a nanny three days a week for her children: Hattie, 9, Olivia, 6, and Imogen, 3. "You end up transferring some of the ethos of the

company to the way you handle things outside the office," she says. "Our nanny is having a baby in October and would like to return. I've said she can bring the baby with her if she likes."

Sharp, 39, co-ordinates research projects and is in charge of personnel and office morale — "I'm minister of fun," she says. "I keep my antennae open for problems but the office is so holistic and organic that people notice how others are feeling. There is a level of trust between us all and a give-and-take that makes people want to stay here."

She works three long days a week. "But if there is a carol concert, sports event or ballet involving the children on those days, I take time off. Then I might find myself writing a research proposal on Friday

evening. One or two mornings a week I take the children to school and get in at 9.30 instead of 9am."

Fathers also benefit, although sometimes they have to learn that finding time between 9 and 5 for their children is permissible. James Davidson, 38, an associate director, used to work as a chartered surveyor. "It was very male-dominated and your private life was your own. Coming in late and taking time off for children's events was frowned upon."

Davidson lives in Muswell Hill, North London, and has two sons, Oscar, 8, and Louis, 5. His wife, Helen, a special needs co-ordinator for schools, was fed up with going to their boys' events alone. "She disapproved. My sons seemed to take it for granted that I couldn't attend. I'd feel a

pang of guilt when my wife described what I missed. Those are moments you'll never have again.

"It has been a revelation that you can mix home and work life. It has been a learning curve since I switched careers and came here. Sometimes I'd say 'I can't attend such-and-such', then realise I could."

"This is a close-knit company. If you've got any secrets, you don't come here."

One member of staff was recruited at the school gates. Lesley Bolton, 36, the accounts supervisor, had been at home for nine years with her children Charlotte, 11, Matthew, 8, and Alice, 4. "I knew Judy Taylor from the PTA. I told her one day that I needed someone to knock on my door and need me; six months later she did just that." Bolton was out of step with advances in technology but the company trained her. She works three days a week, from 9.30am to 2.30pm, allowing her to do the school run at both ends of the day.

Sue Laing, the finance director, knows the problems of mixing family with a high-powered career. Now 35, and the mother of Charlotte, 5, Sarah-Jane, 3, Alicia, 2, and baby Hugo, she felt she had to conceal her first pregnancy when working for another company.

"I was the most senior woman in the company. I didn't tell anyone for five months that I was having a baby. I had stomach muscles in those days. I fitted my midwife appointments in at 6.45am. Luckily, we had a surgery that opened early. When I went off on maternity leave I had the board papers sent round to me."

"Charlotte was born on a Friday. Loads of papers arrived the next morning and my husband asked if he should bring them into the hospital. I said he'd better."

By the time she was expecting her second baby, the company had changed ownership and there was a new board. "Because of that I still felt vulnerable and worked up to the last possible moment."

Time off with her second baby coincided with the establishment of Leapfrog, and Laing's temporary secondment to the new outfit became permanent. Her last two pregnancies at Leapfrog were very different from the first two. "They don't ask 'How's the stomach?' every minute but they appreciate how you're feeling."

There are like-minded people here who understand each other's strengths and strains. We ask each other's advice about dealing with our children over a cup of coffee. My daughter Alicia dislocates her arm frequently. When I get the call I just go. The ethos of the company is to enjoy all aspects of your life. We've always said that if people ever start having that Monday morning feeling, then it's all going wrong."

So comfortable did Laing feel during her last pregnancy that she worked until her due date in late June. She continued to pop into the office until Hugo was born, on July 1. Colleagues are already making a space on the graffiti wall for the latest addition to the Leapfrog family.

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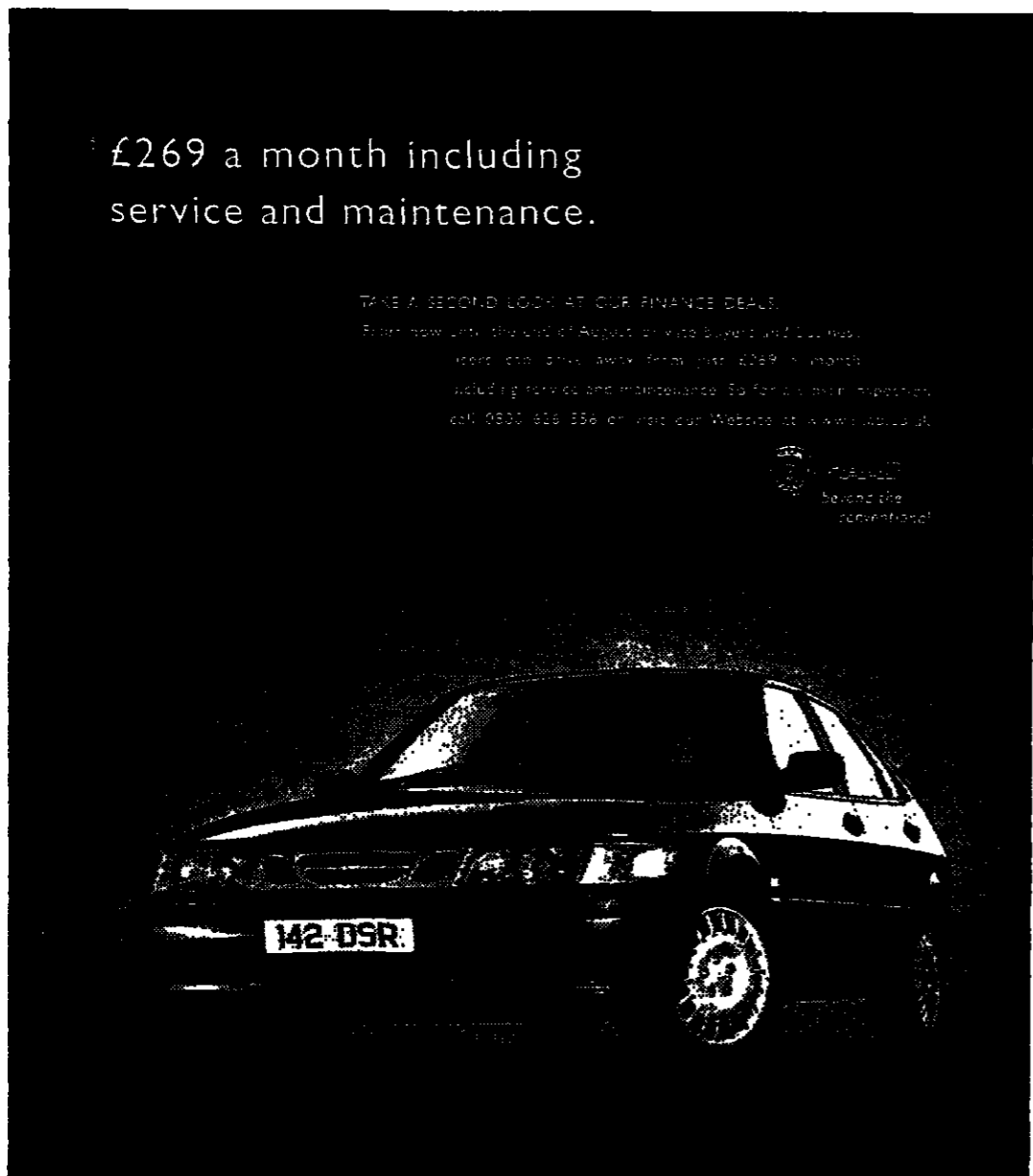
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24.9% APR. Example based on 3 years. Subsequent years subject to credit checks. All figures are estimates. Prices subject to change. *Final Rental/GEV.



Serious party animals much in demand: Mick Jagger and Jerry Hall; Kate Moss; Hugh Grant and Elizabeth Hurley

The real party animals

Everyone loves a party animal but they are a select breed, according to a list of the 250 most wanted partygoers in the current issue of *Tatler*. These are the guests that every hostess wants to see walking into her party or corporate function and who are guaranteed to be worth their weight in champagne.

Sipping champagne, being witty and looking stylish or indulging in a little light networking is not an easy role to assume. You would never catch a true party fiend arriving on time, only to skulk in the corner and gobble up as many stuffed mushrooms as possible.

Those who made the list (fine examples are Lord and Lady Saatchi, or Amanda Wakeley and her husband, Neil Gilton) are perfect party professionals: they come as a pair, they mingle, they are on a serious charm offensive, and most importantly, they don't stay for too long.

Although Sir Elton John has claimed top position as the guest to impress your other guests, it is reassuring to see Tony Blair and Cherie Booth at number ten on the list (after all, it's good to know that they get out of an evening) and further proves that party animals come in various shapes and guises (Christopher Biggins is also on the list).

According to Martin Townsend, the Editor of *OK!* magazine, extroverts are by far the easiest and most generous guests. "Elton John and Richard Branson are both terrific extroverts. Elton John attends

Wealth and style alone are not enough to get you on the A-list, says Helen Rumbelow

parties in the same tremendously generous spirit as he gives concerts: he wants everyone in the stadium to have a good time."

Is it really enough for the much-sought-after invitee to be beautiful (like Kate Moss at number 29) or rich (like Richard Branson at number 30) or super-rich (Michael Bloomberg) or cool, like gallery owner Jay Jopling and his partner, the artist Sam Taylor Wood?

Not quite, says Ewa Lewis, social editor of *Tatler*, although being an asset to a party is not quite the strain one might imagine: "It really is quite easy. The best party guest is someone who is clever and amusing, glamorous and considerate. All of these people on the list are predominantly elegant, attractive and rich."

However, this does not account for the dull rich and the tedious beauties who have the stamina to drag themselves into the social fray every time a super-thick white invitation lands on the doormat. For such people the party is perhaps a grand stage for their

own performance, according to Celia Brayfield, the author, celebrated party hostess and veteran of 25-hour *Playboy* festivities. "They must be willing and able to act up to an event. It's a performance — choosing outfits, dressing up, seeing and being seen. It's not exactly street theatre, more off-the-street theatre. In the slightly ritualistic celebration, you need people that have presence."

A hostess will act as director, Brayfield believes, picking each name from the list for their role in the spectacle, bearing in mind that the company should work together as a whole.

"It's no accident that many on the list are performers — or attention-seeking performers *manqué*, hints Martin Townsend. "Performers are in love with the idea of an audience anyway: they're used to being on film sets, on television or in concerts, surrounded by people. They miss that a little bit."

One thing the party animal knows is to hold back on the refills, concentrating instead on a social agenda of serious party-hopping.

A great many functions are no more than "after-work parties" which allow high-profile politicians and media junkies to blend business with pleasure and to attend up to five parties each night. This makes Tony Blair's influence on the list more profound than his number ten slot suggests: not only are Chris Smith (number 68) and Peter Mandelson (25) key figures at the feast, but so are "Cool Britannia" icons such as Stella McCartney (26), Sir Terence Conran (21) and Damien Hirst (89) among many other favoured New Labour supporters from the arts.

These people embody the new Labour Party approach to partying. Ed Victor, a literary agent at number two on the list, reveals that parties are very much his business, and that he is typical of modern entrepreneurs who use them to make contacts.

But some people never quite get it together: if you can't sparkle and at least a few jokes up your sleeve (Elizabeth Hurley is renowned for her risqué anecdotes) then don't even try. And some people just overdo the business side of things (Derek Draper, for instance) and never get asked back again.

"Guests have to attract," says Mr Townsend. "Elton John is invited because he is good for at least 30 or 40 other high-profile people, while Tony Blair will get you maybe 20 or 30 other celebrities. There is great currency in the right people."

صكذامن الأصل

'Nancy took the heat while Reagan sat there being the nice guy'

The mask of self-serving socialite hid a determined First Lady, writes Bill Frost

Once given the highest disapproval rating of any First Lady in modern times, Nancy Reagan was dismissed by her detractors in the liberal press as an aloof and self-serving socialite with a malign influence on her husband. But today she emerges in a very different light: a strong and astute figure determined to secure the President's place in history as "a man of peace" and to weed out right-wing ideologues from the Government.

Her friends, colleagues and White House staffers from the Reagan years have broken their silence in the current issue of *Vanity Fair* and told writer Bob Colacello how she gently moulded her husband's image, restored glamour to Washington and put super-power detente back on the agenda. Seeking no plaudits herself, Mrs Reagan endured criticism stoically and displayed an extraordinary political adroitness in playing off rival factions.

A consummately skilful networker, she mixed and matched Hollywood stars, East Coast aristocrats, liberal Democrats and right-wing Republicans at her table. The success of this delicate balancing act helped to make her the most powerful and well-connected First Lady for half a century. Muffie Brandon, the White House social secretary from 1981 to 1984, is in no doubt that Mrs Reagan was the most effective First Lady in 35 or 40 years.

"She was much more influential than she ever let on. But she did not want to be perceived as being influential. "If one asked her, 'Don't you ever think about your place in history?' She looked at me and said 'Oh, no. It's Ronnie and Ronnie's place in history.' " Ed Rollins, the White House political affairs director during the same period, describes the Reagans as a highly effective team. He especially admired Mrs Reagan's iron

determination to share the burden of office with her husband, in particular advising on some key appointments and dismissals. "In many ways she allowed him to be such a nice guy," says Rollins. "She made some of the tough — personally tough — decisions. She took the heat for it and he would sit there and still be the nice guy. "They had a unique marriage. Ronald Reagan is a loner — he is a man who is comfortable being alone. But the one person who has always been in his world is her. He did not need anybody but her."

Forging unlikely political alliances and firm friendships with the *Washington Post* chairman Katharine Graham, the former Democratic National Committee chairman Robert Strauss and Richard Helms, the Director of the CIA under Presidents Johnson and Nixon, she altered the public perception of her husband as a



Ronald and Nancy Reagan: friends and White House colleagues have revealed how she moulded his image and restored glamour to Washington

right-wing warmonger. During his second term the stage was being set for the four summits with Mikhail Gorbachev which would effectively end the Cold War and eventually see the dissolution of the Soviet Union. With characteristic modesty she denies having influenced the President's policies. "Nobody could... Ronnie knew what he believed," she says today when asked about the

summits. "I could not have influenced this if he had not come to believe it... I just felt here were these two superpowers sitting here and it was silly not to get together." Insiders tell a different story — Nancy Reagan's part in the continuing drama was crucial. George Shultz, the former Secretary of State, confirms that "a role was arranged" for the First Lady.

He was particularly impressed at how she charmed the Soviet Foreign Minister, Andrei Gromyko, during a White House reception in 1984. It was a *tour de force*. As the reception ended, Gromyko — a veteran diplomat and hardliner — asked Nancy Reagan, "Does your husband believe in peace?"

Bearing broadly, she replied: "Yes, of course." The fencing continued with Gromyko saying: "Then whisper 'peace' in his ear every night." "I will," she replied, "and I'll also whisper it in your ear." The Foreign Minister left, charmed, and Mrs Reagan returned "flying" to her family quarters because "she was so happy about things."

With her natural diplomatic and political gifts came an extraordinary strength in adversity. On March 30, 1981, Nancy Reagan was to need all that courage and more. The attempt on her husband's life by John Hinckley Jr was to scar the First Lady, too. A bullet came within three inches of the President's heart: he was minutes from death. "Nobody realised how close

he had come at the time," says the former White House aide Robert Higdon. "Nancy knew it. But none of us knew it. It wasn't until she wrote her book that it came out." The strain of keeping her secret and the President's close encounter with mortality shook her badly. Reagan returned to the Oval Office in 12 days while she went into sharp decline. She lost weight and looked weaker and seemed "out of touch", said White House staffers. At the urging of her friend Merv Griffin, the television personality, she sought out an astrologer who told her that she could have foreseen the

attempted assassination in the President's chart. The consultations reassured the First Lady but drew mockery from the media when news leaked out. "The press saw that they could not really beat up on the President," says one White House insider. "So they had to find somebody to criticise, and it happened to be Nancy." A royal visit to Washington in 1981 saw Nancy Reagan attacked by the media for encouraging female guests to curtsy deeply before the Prince of Wales. Such displays were seen as inappropriate and servile. "It was as if Nancy Reagan

were saying to the country: I am going to do what I am going to do," the social commentator Marie Brenner observed huffily in *New York* magazine. The tabloids took an even more acerbic line. But Mrs Reagan was to turn on her tormentors. At a 1982 dinner attended by editors, political journalists and Washington power-players, she staged a most astonishing transformation and banished the image of brittle socialite once and for all. During a series of after-dinner skits — by tradition aimed at the Presidents and their First Ladies — she appeared through a rack of

designer dresses decked out like a bag lady and sang *Second Hand Clothes* — a parody of Barbra Streisand's *Second Hand Rose*. The First Lady brought the house down, recalled a guest. "There were cheers and cries of 'Encore! Encore!'"

In the years that followed, Nancy Reagan needed her strength again. She bravely fought breast cancer and weathered the "terrible" grief of losing her stepfather.

Now with that same courage and determination she is caring for her husband, who had Alzheimer's disease diagnosed two years ago during his annual check-up. Friends say he had begun to show signs of memory loss and disorientation. At first Nancy attributed this to a head injury that he had suffered after falling off a rearing horse at a ranch in Mexico in 1980.

He made his last public speech in February, 1994. At Richard Nixon's funeral later that year, an aide to Hillary Clinton recalls: "The Clintons noticed how Nancy Reagan

The press had to criticise somebody, and it was Nancy'

was helping him out in a very gracious way, saying, 'Ronnie, you remember so and so...'" A nurse now looks after him at home. His wife organises Saturday games at Los Angeles Golf Club for the President, inviting his closest friends. On "good days" he takes walks in the Simi Valley where he greets tourists on strolls in Beverly Hills with his Secret Service men, stopping to play ball with youngsters in a local park.

His dignity is paramount and she works tirelessly still to ensure his place in history. Mrs Reagan regularly represents her husband at official events and has become the *grande dame* of the Grand Old Party.

"I love seeing everybody," she said after a recent dinner with Wall Street's latest movers "But it is time to go home. A week is too long to be away. I miss waking up with Ronnie next to me."



Reagan's close brush with death shook Nancy badly

A playwright at 15

Sex and violence are exactly the kind of topics that aspiring playwrights might choose for their first effort. That is what Sarah Ferguson chose to write about, too. But hers is not the slick, stylised route favoured by more self-conscious writers; her work aims to "make people talk like we talk". Since Sarah is a 15-year-old aspiring beautician from a South London school that has seen two of its teenage pupils murdered within a year, she has spewed language that is rarely heard on stage. And that is why, unlike most other first plays, *Let's All Go to the Fair* saw its debut last night at the Royal Court Theatre in London.

Featuring in a festival of plays by young people, the story focuses on two schoolgirls at a funfair who meet a group of boys: it descends into a tale of black humour encompassing romance, child abuse and death. Astonishingly, Mark Ravenhill, who wrote *Shopping and Fucking*, asked to direct it after being passed the script by his friend, the playwright Sheila Goff. Typically, the Greenwich schoolgirl played it cool: "I've never heard of him," she said at the time. Ravenhill had an early taste of her refreshing attitude. "One day he was making fun of me talking and I whacked him with my script."

Sarah, a bus driver's daughter, remains down-to-earth about her success. Today she starts a family holiday to Ibiza, which means she will miss the two other performances of her work (the excited Ferguson family saw last night's performance). And even though she is being touted as a rising young playwright, she has not yet relinquished her ambition to be a beautician — although she may continue writing "if I have an idea in my spare time". Trisha Jaffe, Sarah's head teacher at

Anjana Ahuja meets a young schoolgirl with the talent to be a future bard — or a beautician



Sarah Ferguson: down to earth

Kidbrooke School in Greenwich, is thrilled, too — the school is sending a packed minibus to the performance tonight. It is welcome publicity for Kidbrooke, which is soon to specialise in the performing arts. It is also a source of pride for a school in one of Britain's most deprived areas (three out of five pupils receive free dinners), and marks the end of a dreadful year that saw the gang murder of one pupil outside the school gates and the sexual assault and murder of a female pupil by her cousin.

Sarah's talent came to light through an education programme by the Royal Court, which runs a Young People's Theatre. For nearly a year, writers and

directors have been meeting pupils at 12 schools in London. "We'd done some improvisation and talked about it. I said 'I want to write a play now'. I thought about what had been in the papers and it just flowed."

Steve Gilroy, a Royal Court director who together with the playwright Sarah Daniels worked alongside the pupils, describes Sarah's style as "very contemporary, streetwise and truthful. I was impressed by her ear for spoken language. Most young people tend to write a play as a story and the dialogue isn't very realistic. But she got the dialect of the person on the page and there is a rhythm between the characters; it is almost as if the two characters are jamming."

Why a fairground? "There just happened to be a fair on my common," Sarah says. "It's a good place for a story, with the excitement and music and everything." Carl Miller, the artistic director of the Young People's Theatre, says Sarah's script is written with "incredible truth; she hasn't written it to please anyone else or pass an exam."

Christopher Da-veiga, who teaches English, drama and media at Kidbrooke, recalls her standing out in the improvisation sessions. "She would come up with astonishing scenes, as if seeing life through a special lens. She also has a wonderful observational eye."

Sarah has been invited to join a young writers' group at the Royal Court but has not yet decided whether she will swap nail files and make-up palettes for writing. Her proud teacher earnestly hopes so. "The theatre is the kind of career that discovers you, not the other way around," Mr Da-veiga says. "For Sarah, this could be the beginning of great things."

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It's worth a double take.

Lobbyists, loopholes and Europe

Michael Pinto-Duschinsky on the foreign cash that buys influence

The "cash for access" affair revealed in *The Observer* comes at a time when the Neill Committee on Standards in Public Life is beginning to discuss its recommendations on the reform of party funding. The scandal shows that the controls on donations to parties mentioned in Labour's election manifesto will be almost useless, and may prove counterproductive, unless there are also controls over organised lobbying and other conduits through which money pours into the political world.

The Blair Government is committed to two ill-considered reforms: an outright ban on foreign contributions to parties and the publication of payments to parties (but not of other political organisations) of £5,000 a year or more.

Most of the foreign money pouring in to influence British politics and opinion is not given to parties but is channelled through lobbying companies, foundations and other means. The proposed law to prohibit foreign payments to parties alone will be like a colander in which a single hole has been blocked. *The Observer*'s revelations concern attempts by British lobbyists to obtain custom from an American firm. The lobbying group at the centre of the affair, GPC Market Access, paid £1.8 million to buy Prima Europe, the firm in which Roger Liddle — now the Prime Minister's adviser on European policy — had a 25 per cent stake. Some of this £1.8 million was dependent on profit targets over three years by the remaining directors of Prima who transferred to GPC.

Prima Europe (annual turnover £1.4 million) was founded by a small group of prominent politicians with a strong commitment to European union, mostly from the former SDP and the Liberal Democrats. They included Lord Tavener, Roger Liddle and, until 1995, Lord Holme of Cheltenham. Anthony Teasdale, a Tory pro-European, who was formerly special adviser to Lord Howe of Aberavon and reputedly the author of much of his Commons resignation speech, was also an occasional consultant. Prima was a subsidiary of the public relations company Burston Marsteller. It mainly supplied research analyses to British and foreign firms.

Pro-European politicians are sustained by other major sources of funds, much of it from abroad. The former Conservative MP, Hugh Dykes, now a Liberal Democrat, received funds for so many foreign trips in his capacity as an officer-holder of the European Movement that he received special permission to omit to list them individually in the Register of Members' Interests. The London offices of the Konrad Adenauer Foundation and the Friedrich Ebert Foundation receive about £1 million each from the German Foreign Ministry to spend on undecorated (mostly pro-European) political projects in Britain. The European Parliament is another generous source of political money through its grants to MEPs and to the British sections of European political party organisations.

Foreign funding is not normally used to persuade politicians to advocate views in which they do not believe. But it affects the political process by nurturing those figures who already hold the opinions a foreign interest or a foreign power wishes to promote.

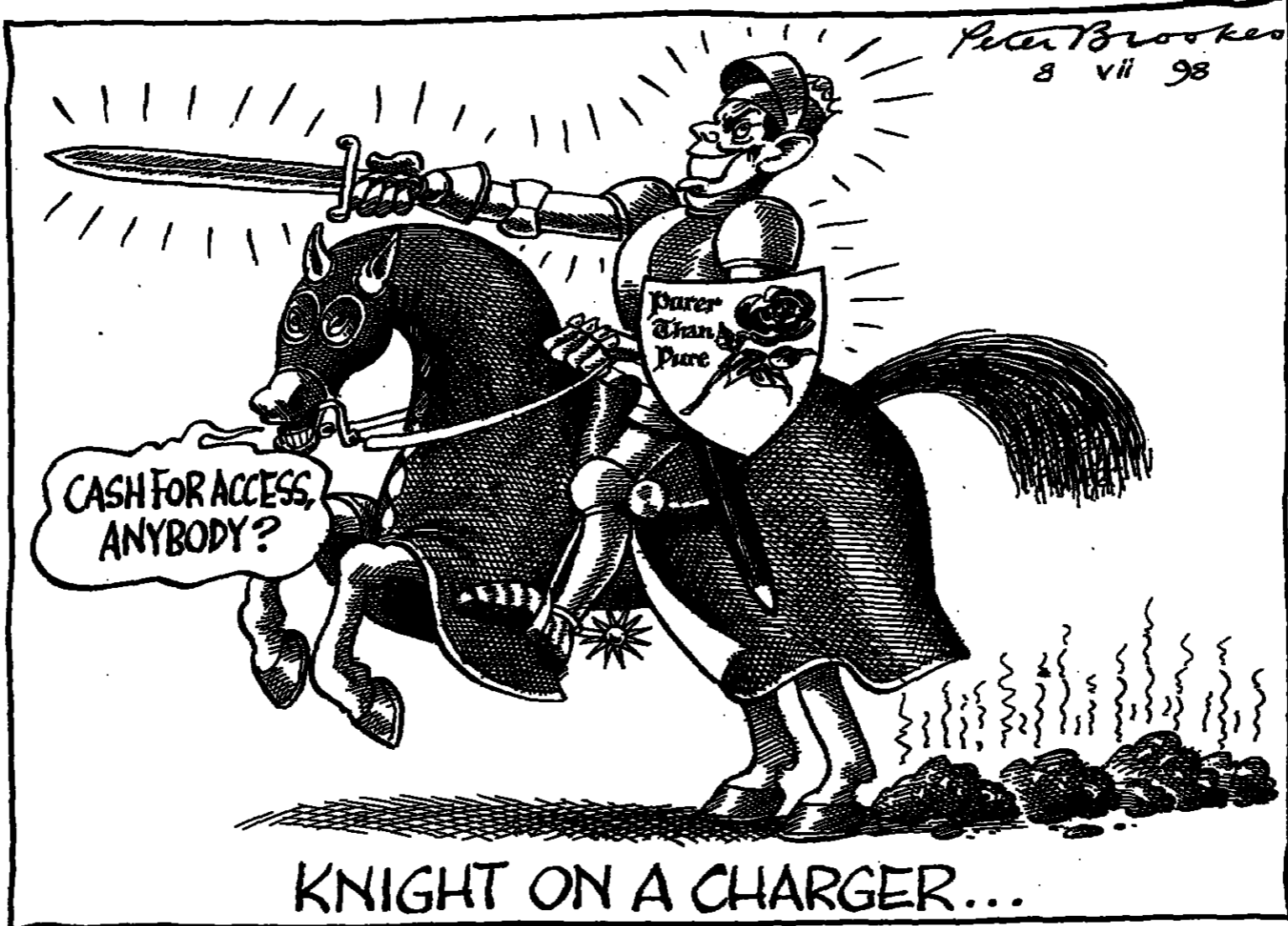
During the last election campaign, Labour's criticism of anonymous foreign payments to the Tories seemed reasonable enough. However, William Hague's decision to declare all contributions of £5,000 or more means this source has dried up. As Lord Neill's committee appears to recognise, it is illogical and impractical to concentrate on party donations alone.

It is not possible and may be undesirable to stop the flow of all kinds of foreign money designed to influence the British political process. The main task of regulation should be to ensure that the rules about disclosure apply across the board. It may not be possible to devise rules that will catch all forms of indirect political payments, but political think-tanks should be obliged to declare their budgets and the sources of any foreign money. Lobbying and PR firms should be obliged to register all foreign clients, on lines similar to the Foreign Agents Registration Act in America.

There must also be measures to control the new methods of evasion which are being devised, reportedly with the active encouragement of Millbank Tower, to circumvent disclosure of contributions to political parties of £5,000 and more. The "blind trust", now abandoned, was Labour's first line of defence against its self-imposed virtue. Two new methods — both well-tried abroad — are being fostered to permit secret political payments. The first is to disguise gifts as "payments for service". If companies pay to hire stands at a party conference or for advertising in party publications, the payment does not count as a donation and need not be declared as such in a company's annual report. This can be a valuable loophole. In the 1970s, Indira Gandhi's Congress Party perfected this method of avoiding India's laws on corporate donations to parties. The party collected £7 million for advertisements for a souvenir brochure that never appeared.

Another method, is bogus "consultancy" services. In the early 1990s Felipe Gonzalez's Socialist Party was mired in a scandal involving two firms linked with the party. They had received about £5 million from banks and corporations for what were allegedly minimal or non-existent "consultancy" services. The fact that Labour is considering fundraising that bears some resemblance to these schemes is disturbing. The lessons for Lord Neill are plain. It is not enough to regulate yesterday's methods of party funding and to tackle the 1990s problem of dependency on large, individual donations. Disclosure regulations must deal with abuses of the present and future.

Brownen Maddox will return next week.



Eunuchs of Drumcree

At the first whiff of trouble, the new Irish Assembly has to call in Blair

For the past four days a medieval challenge has been enacted on a hill outside Portadown in Ulster. Anywhere else, we would have held English Heritage responsible. But the challenge is in earnest. Thousands seem ready to risk the peace of their land to win, or be stopped from winning, 15 minutes on 500 yards of territory. One side wants to put on sashes and hats, blow its pipes and "follow the antique drum". The other wants to stop them. Not since Navaho fought Apache for a totem can so much have been staked for so little. And the world's most modern army is powerless to dissuade them.

This week Ulster's ancient quarrel leaves the world torn between ridicule and contempt. The Loyal Orange Order is loyal not to the Crown (for it would obey the Parades Commission) but 17th-century anti-Catholicism. Such loyalty would be comic in a more sophisticated polity, but not in direct rule Ulster. The same goes for the nationalism of the IRA-Sinn Fein gangs. Anywhere else they would be in jail. In Britain they are about to pull off one of postwar terrorism's most sensational coups, the release from prison of an entire regiment of convicted murderers. I wonder what Downing Street would say if a foreign government freed en bloc so many killers of British citizens.

Northern Ireland has just elected its third local government in the past quarter century: a new Stormont Assembly and its First Minister, David Trimble. Even before taking office, they face a collective test of the new power-sharing leadership. Drumcree is of no administrative significance, but it is of awesome symbolism. It could drain the fund of goodwill that the Good Friday agreement supposedly put in the bank. Yet at the first whiff of trouble, the parties are nowhere to be seen. Instead we have the Army and Tony Blair back on stage. He flies to Belfast. He has the American President on the phone. He agrees to invite Orange leaders to London. The cameras are at the ready, the soundbites prepared. Extremists are coated in fame. Before the new structure has even put itself to the test, London cannot resist wiping Mr Trimble's nose and changing the Assembly's name. If devolution fails yet again in Northern Ireland, failure began in this week's meddling. I take a grim comfort in Drumcree. It proves, where proof is badly

needed, that politics is not a game for grown-up kids with an attitude problem. It is a social necessity. And as philosophers from Hobbes to Hayek have argued, politics is also a science that obeys rules, rules which can be analysed and tested against events. Causes lead to consequences. Drumcree is as sure a symptom of rotten politics as was feudal England or revolutionary France. Lack of democracy produced Drumcree as surely as friction produces heat. Had Northern Ireland's devolved government not been abolished but sensibly reformed 30 years ago, I have no doubt that the Orange Order would be as politically harmless as it is in Scotland. Sinn Fein would be a debating society. Not only was regional and local democracy abolished in Northern Ireland after 1974, but the British parties colluded to stop the formation of Labour or Conservative branches in Ulster. They thus blocked any local conduit for party participation and discipline. The pathetic band of Ulster MPs at Westminster were parliamentary lepers, denied any role in the running of their Province. Citizens thus subjected to a distant authority do not sit dutifully at home. The "habit of association" is intrinsic to any settled community. Denied self-rule, a group will draw its wagons into a circle and run old banners up the pole. It will revive its ancestral fears and give credibility to spokesmen who articulate group complaints. Superior authority will have no bearing on this fierce introversion. That is why hurling abuse across the Irish Sea is so pointless an exercise at present. Those at the Drumcree front line are not elected. They are "spokesmen" for residents' groups, Orange lodges, paramilitaries, even IRA gang leaders up from the South. Their ambition is not that of the democrat to resolve community conflict within defined territorial boundaries. Their ambition is to equate group with territory, the better to

continue the conflict. This is the politics that democracy was meant to supersede. It is a politics of families, mobsters, secret societies, spies, violence and guns, the familiars of an ill-ruled community. This is not a mystery or a puzzle. It is what you get when you do away with voting. The people of Ulster did not choose this path unaided. They did it under the aegis of the British Government. British Governments neglected to reform Northern Ireland's democracy in the years between the war and the eruptions of 1968. British Governments have fumbled all attempts at reform ever since. A generation of British Governors at Stormont's Castle have treated their subjects as primitive bigots. They euphemise their contempt: "Lovely country... such warm people... [the Protestants] so hard-working... [the Catholics] so full of fun... all sincerely want peace... Army turning the corner... have another grant." But this is the language their grandfathers used of the Hottentot, the Ibo and the Kikuyu. The colonial instinct is embedded in the DNA of British public administration. It reads Drumcree as it reads the Boston tea party and the Zulu Wars. These are people not quite like us, whom we dare not leave to their own devices. Look how they behave "on their own". Of course Mr Blair must intervene. Of course President Clinton must call. Nanny knows best. The past quarter century has certainly bred a class of "leader" in Northern Ireland unlike any other in Europe. They are elected to Westminster but not to rule anything. They thus become not leaders but delegates of group paranoia. They are either mad, like the Rev Ian Paisley, or bad, like Gerry Adams. The only time such men must show courage is when someone forces them to take responsibility, as during London's occasional "compromise" agreements. They find these hard, because they have never experienced the pain of collective responsibility in

government. We are at this point once again. For all the obligatory optimism that surrounds the agreement, there is no more reason why it should stick than did the last. Indeed there is probably less. Since the Province is at relative peace and the subsidies flowing even faster. The devolution model is the same as failed before, of communal power-sharing at Stormont. It even has a built-in explosive device, the deal on prisoner release. This has enraged much of Ulster, a pollution of justice that threatens to reduce the judicial system in Ireland to that of a banana republic. And London seems determined to continue intervening. Its theory is that no British government can leave such democracy alone. If last week there had been no British Parades Commission, if the groups and their elected leaders were left to parley peace between themselves — so goes the theory — they would merely tear themselves apart. There would be fights, riots and ethnic cleansing.

All I can say is that thirty years of this theory have already yielded fights, riots and ethnic cleansing, and got nowhere. Direct rule has reduced politics in a corner of the United Kingdom to a state of Balkan obscurity. Interventionism in Northern Ireland has been tested to destruction. As Jonathan Freedland points out in his *Bring Home the Revolution*, a lively voyage round American democracy out this week, the one thing that works in politics is voting. It is indispensable to a happy community, even to divided ones. Democracy is currently paying Northern Ireland a rare visit and David Trimble must be as hospitable as he can. His and his colleagues are formally charged with the task of reconciliation, a job from which they have been excluded for a generation. There will be awful spills. But ranged against them are not just the bigots of Drumcree. Others too are finding it hard to shake off the hat and the sash of an old supremacy. Others too want to be seen marching to the whir of the camera and the swirl of the soundbite. They are the people who for a quarter century have been responsible for Drumcree. The question is: Can they kick the habit?

Simon Jenkins was yesterday awarded the RTZ David Watt Memorial Prize.

Simon Jenkins

Alan Coren



As a victim of crime, I'm no Napoleon

I make no excuses, this morning, for returning to the scene of the crime. Indeed, I should have to make excuses if I didn't: for now that villainy has been so enthusiastically grappled to the bosom of the entertainment business that every third television programme comprises (a) two glib presenters, one with a floral tie and one with good legs, (b) three clips of monochrome CCTV featuring a man with a woolly hat and a gun/brick/jemmy, and (c) a bank of telephonists waiting for eagle-eyed viewers to blow the whistle on the star of (b), all with the sole object of cozening audiences into tuning in next week to see how everything turned out, no one in the public arena can even mention a crime without subsequently appraising his tenterhooked audience of what happened next.

Last Wednesday, you were all shaken to the core by my report of a serious incident in Cricklewood, when a prominent wheezy-bin left outside a top red-brick villa — because a notorious council refused to empty it — was stood on by a major criminal in order to gain access to a prime garage and steal an eminent car radio worth close to three figures. You learnt that police from as far away as Colindale were alerted, and dashed to the scene in one of their fastest vans. So what, you will have been agonising over all week, happened next?

A lot, and very little. For, despite what must have been a nationwide manhunt involving everything from tracker dogs and frogmen to dawn raids and DNA molecules, never mind Interpol, no trace of the criminal or his booty has so far been found. Clearly, he must have been planning his getaway for years. He will go down in the annals of Colindale nick as the Napoleon of Crime. A snapshot of the wheezy-bin, taken the following day by one of the nation's leading fingerprint experts, is probably being hung, even as I write, in Scotland Yard's Black Museum.

So far, so grim; but is there, you ask, no hope, no ray of sunshine in any of this? Well, as a matter of fact there is, and quite literally, too: it is part of the logo atop a letter I have this morning received from, of all got nowhere. Direct rule has reduced politics in a corner of the United Kingdom to a state of Balkan obscurity. Interventionism in Northern Ireland has been tested to destruction. As Jonathan Freedland points out in his *Bring Home the Revolution*, a lively voyage round American democracy out this week, the one thing that works in politics is voting. It is indispensable to a happy community, even to divided ones. Democracy is currently paying Northern Ireland a rare visit and David Trimble must be as hospitable as he can. His and his colleagues are formally charged with the task of reconciliation, a job from which they have been excluded for a generation. There will be awful spills. But ranged against them are not just the bigots of Drumcree. Others too are finding it hard to shake off the hat and the sash of an old supremacy. Others too want to be seen marching to the whir of the camera and the swirl of the soundbite. They are the people who for a quarter century have been responsible for Drumcree. The question is: Can they kick the habit?

There is a telephone number, but I have not rung it yet. I have been wondering what sort of caring, understanding person Barnet Council sends round to victims who have had their car radios pinched. An old dear with a Thermos of tea and a packet of Hobnobs, perhaps, telling me how well she understands the misery of grinding round the North Circular without Jimmy Young or Jenni Murray to lighten the gloom? Some barking JP from the Viewers and Listeners Association shouting how lucky I am not to have to listen any longer to the wreckage of Radio 4 brought about by sexually deviant teenage Trotskyite controllers? A green militant from Barnet's Department of Environmental Health urging me, now that I have been lucky enough to lose one of the reasons for using private transport, and a noise-pollutant one at that, to get my entire car stolen? A coked-up kid in a souped-up Cosworth, who, as part of his caring job experience will offer to thunder me through the sleeping suburb at 3am with all windows down and all megawatts blasting, to compensate me for all the pirate hardware techno I must be missing? A kaftanned exponent of the Barnet Technique, who will give me a free incense pot and explain how it attaches to the dashboard by a handy rubber sucker to aid that silent meditation which is so much better for my karma than John Humphrys? Thanks, but no thanks. What this victim really wants is someone from Barnet Council to put his hands up to the responsibility for the radio's being swiped in the first place and come round here with a nice new one in a beribboned box. But I rather fear that in the matter of true care and understanding, the council and I are on different wavelengths.



"They get everybody down!"

the stars from the golden age of sleaze looked alarmed because they thought the reception was for them. The Hamiltons, fresh from their hols in Spain, were relieved to discover that they remained old news and cheered up even more when they were informed that Draper had been caught making a challenge for their title. Christine said: "Returning to all this sleaze makes us really feel like we are back home." Neil added: "Mustn't gloat, mustn't gloat, absolutely shouldn't gloat — but I am gloating like hell."

JASPER GERARD

Making up?

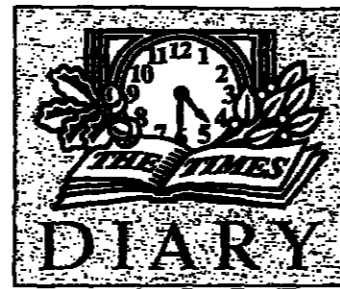
LORD LONGFORD is to act as peacemaker between Alan Clark and Judge James Harkess, whom the Kensington and Chelsea MP so spectacularly cuckolded by sleeping with his wife and two daughters. The venue for the attempted appeasement will be a bookshop next to Westminster Cathedral where the judge, recently converted to Roman Catholicism, is holding a party on Monday to launch his book about the Lord's Prayer. Father Michael Seed, who ministers to the good and the great and has been guiding both Harkess and Clark towards Rome, will also be present.

The party is the latest stage in a story of infidelities stretching back to the Sixties. Clark began an on-off affair with Valerie Harkess which continued for more than a decade. After firing of the judge's wife, Clark then began a five-year fling with Alison, their daughter, and occasionally snuggled up to Josephine, the youngest daughter (pictured with her parents). The MP's indiscretions, however, did not become public until after the 1993 publication of his *Diaries* in which he referred to "the coven". When Harkess found out he left South Africa, where he had by now moved, and launched a publicity blitz in Britain. With the help of Max Clifford, he attempted to embarrass Clark, stating that the MP deserved "to be horse-whipped". During last year's election, the judge joined Lord



Longford in his campaign against the MP. Throughout these travails, Harkess sought refuge in Catholicism, just as Clark himself was starting his induction. The judge's book dwells on a couple of lines that will be particularly pertinent on Monday: "And forgive us our trespasses, As we forgive them that trespass against us."

LIAM GALLAGHER is becoming sensitive to loud music. The Oasis frontman was being driven by Meg Matthews, his wife, in his



new Porsche when they pulled up beside a car belching out a cacophony. "Oi," he hollered. "Turn it down. I can't even hear myself think."

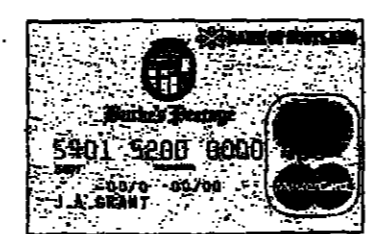
Model couple

THE Establishment is to honour Neil and Glensy Kincock. Dr Charles Saumarez Smith, Director of the National Portrait Gallery, has commissioned a painting of the couple to hang in our pantheon. The honour is usually reserved for monarchs or PMs but the institution's trustees felt that the Kincocks were of sufficient historical stature to merit such a grand commemoration.

"We want to recognise them as a couple and as individuals," says Saumarez Smith. "They are both British and European figures." But

the couple face one problem before they are immortalised in paint by Shani Rhys James, who is, sadly, fifth generation Australian rather than Welsh. "It is obviously a terrific honour but now we need to find the time in our joint schedules to sit for it," says Glensy. "The painter has asked for more time than I have managed to spend with Neil in the last ten years."

BURKE'S Feegeage is joining the world of international finance. The contact magazine for aristocrats, or at least those who believe they are, is to launch a credit card in conjunction with the Bank of Scotland. Although pitched shamelessly at the sorts who think pulling a Burke's Feegeage MasterCard from their wallets will impress, Harold Brooks-Baker, the publishing director, insists that the venture has a higher purpose than vulgar profits. The project is to help "increase the creation and production of our scholastic books such as *The Nobility of the Holy*



Roman Empire and From France to Italy though a Merovingian Descendant". A free subscription to Burke's, however, is not included.

Change of key

JOHN REID, the exotic former manager of Sir Elton John, has been signed up by the Labour Party to lend a much-needed gloss of showbusiness to its tarnished image. Reid, who parted company from Sir Elton last month after 27 years of flamboyant collaboration, is credited with the singer's lucrative transformation into "the Liberator of rock".

His conversion to the cause can, I am told, be explained by his close friendship with Margaret McDough, the party's deputy general secretary. "Mr Reid won't be an active member politically, but he will give them his support in other ways," says a flunkey of Reid. Perhaps his first efforts will be to advise Tony Blair on the problems of premature hair loss.

A FEW minutes before Derek Draper barreled off his flight from Naples on Monday night, Neil and Christine Hamilton popped out of Arrivals, unaware of the lobbying scandal that had erupted back home. Greeted by a camera crew and newspapermen,

صكرا من الأهل



OUT OF THE WEB

How Liddle can now best serve the Prime Minister

With spin-doctors spinning against the yarns that other spinners have spun, politics this week has become a sticky mess of denigration and denial.

For Tony Blair, the most damaging aspect of the lobbyists' scandal is the suggestion that Mr Liddle, a member of his policy unit, was somehow acting in concert with Mr Draper, a lobbyist and former colleague.

There is nothing wrong with members of the policy unit agreeing to meet business leaders. They would not be doing their job if they failed to listen to the corporate community.

and I" were wholly foreign to his speech, he could surely have protested that such an expression could have passed his lips.

Mr Liddle's behaviour may be described as foolish, naive and ill-judged, rather than evil, dishonest or corrupt.

There is a childish boastfulness about some of those who have recently won a great deal of power, and others who are still able from outside to enter the "circle" of influence.

Mr Liddle should have been on his guard: he was, after all, at a lobbyists' party, not relaxing after Sunday lunch at the house of a friend.

If Mr Liddle wants to protect the reputation of the Government which he has served over the last year, he should offer his resignation forthwith.

TAPES FOR NOTES

A tactical demand with far-reaching consequences

In its sophisticated efforts to clear Roger Liddle's name, Downing Street officials have asked The Observer to produce tape-recorded evidence to back the newspaper's allegations against him.

Ministers yesterday tried triumphantly to exploit the absence of a tape, claiming, in Tony Blair's words, that the allegations were "without any proof at all".

So far as we are concerned, it is not. However clever the demand for tapes may be as a tactic, the insistence that nothing short of a taped record counts as proof is wrong.

The notebook, not the tape recorder, has always been the reporter's standard equipment, just as, until very recently, Hansard relied on shorthand to record the proceedings of Parliament.

discouraged by the Code of Practice drawn up by the Press Complaints Commission (PCC) which monitors newspapers' conduct.

As things have long stood, if a journalist telephones or talks to a politician who says something indiscreet that he or she may later wish to deny, the notebook record is accepted as confirmation of the content of the conversation.

If it were now to be held that all quotations are deniable unless they have been taped, this would rapidly change. Knowing that a minister would otherwise rubbish as fabricated any embarrassing report, journalists would be routinely wired for sound.

CROATIA AT PLAY

Supporters and politicians should keep their eyes on the ball

Today's Croatia is only seven years old, and despite hazy notions of Balkan conflict, few Britons could place it easily on the map.

Croatia, the giantkiller that has already laid low the once mighty German team, plays France, the World Cup hosts, and millions who know little about this faraway country will be cheering them on.

Sad to say, President Tudjman, the dour father of Croatian independence, will certainly use this extraordinary debut on the world stage as a propaganda weapon to muffle his opponents.

Hardly less regrettable are the words of those who jeer at the Croatian team as representatives of a recrudescing fascism, a racist history and an unreconstructed view of an appalling wartime record.

spectacular as the mountains that line the long Dalmatian coast. It has, for centuries, lain on Europe's religious and cultural fault-line and its present boundaries correspond largely to the old limes where Catholic Europe confronted both the Muslim invader and the Orthodox tradition.

Croatia's poets, sculptors and playwrights remain obscure to the outside world. Until recently, Croat achievements — on the football field as well as in the arts — were subsumed into a larger Yugoslav identity.

Yours faithfully, EDWARD ALEXANDER, Hall Road, Eccleshill, Bradford, West Yorkshire BD2 2DP. July 6.

Lobbyists' hype in pursuit of power

From the Director-General of the Association of British Insurers

Sir, The "cash for access" issue (leading article, "New Labour, old story", July 7) raises some general questions about the machinery of government.

It will have served a useful purpose if it deflates the over-hyped "lobbying" industry. I do not blame lobbyists for making inflated claims — like others they are trying to sell their product.

Generally, the British political system works well. This Government is committed to openness and is consulting exhaustively. The consultation process works best if the views of interest groups are properly channelled through representative bodies where they exist and are effective.

I have a vested interest in this as I run the largest trade association in the country. Our representative work generally involves writing well-argued papers and sending them to the relevant officials.

To some extent the Government has created the conditions which made the "cash for access" affair inevitable. The impression has been given that policy-making is confined to small groups, with even the Civil Service being bypassed.

The lesson from the affair is that the Government should make full use of the Civil Service machinery at its disposal and should make clear its commitment to take properly into account the views of effective and truly representative interest groups.

It is significant that the affair has coincided with the publication by the Cabinet Office of an excellent paper, How to Conduct Written Consultation Exercises.

Yours faithfully, MARK BOLEAT, Director-General, Association of British Insurers, 51 Gresham Street, EC2V 7HQ, July 7.

Sir, How reassuring to know that, until yesterday, if the Government's special advisers had a code of conduct at all it did not specifically prevent them from using sensitive information acquired in the course of their jobs to further their private interests or those of others' (report, July 7).

Yours sincerely, H. M. SANDERS, 27/63 Crown Street, Woolloomooloo, NSW 2011, Australia. hmsanders@hotmail.com July 7.

Speed of change

From Mr A. Edward Alexander, CEing

Sir, It would be futile for politicians to claim that there will ever again be full employment in the so-called advanced countries.

Were I called upon to do so, I could now survey and design a mile-long retaining wall for a coastal defence scheme in a week.

We should humbly admit that Bill Gates of Microsoft, or the chief executive of Mitsubishi, have considerably more power than the British Prime Minister.

We may not like this, but it is inevitable.

Yours faithfully, EDWARD ALEXANDER, Hall Road, Eccleshill, Bradford, West Yorkshire BD2 2DP. July 6.

Bitter pill

From Mrs Fiona Gibson

Sir, I am a fan of The Archers and put off listening till Sunday morning's omnibus edition, when I can lock the bedroom door against family, dogs and phones to enjoy it in the comfort of my bed.

I also read and enjoy the articles of Dr Shuntford. Or at least I did. Twice recently he's blown the "cliffhanger" (Body and Mind, April 30 and July 2) and ruined the next programme for me. One of my pleasures must go, I'm afraid.

Bye bye, Dr Tom.

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XN Telephone 0171-782 5000

Old Labour agenda still alive in new education Bill

From Mr Sean Williams

Sir, Mr David Blunkett's article ("Action this day at school", June 23; see also letters, June 27) presents, as usual, a good impression of the Government's assault on education standards.

The much-vaunted education action zones make up only four out of the Bill's 133 clauses and 31 schedules.

The Bill makes grammar schools vulnerable to local political campaigns. It stops partial selection in any other schools, with the minor exception of specialist schools.

The minister gains 71 new powers and duties, 52 new powers to make regulations, 13 to issue guidance and two to issue codes of practice.

Yours faithfully, SEAN WILLIAMS (Author, Levelling Down — The School Standards and Framework Bill, Centre for Policy Studies, June 1998), 31 Sierdale Road, W4 0HT, July 1.

Jailed Guardsmen

From Sir Ludovic Kennedy

Sir, "Judges sitting on their own, as in Northern Ireland," writes Trevor Grove (letter, June 27), "are obviously quite capable of deciding on the facts of a case as justly and more speedily than juries."

So does Field Marshal Lord Inge, who in a debate on their case in the Lords on June 23 said: "I am left with an uneasy feeling that if this had not been a Diplock court but a normal court with a neutral jury, a different verdict would have been returned."

It is worth adding that twice in his speech replying for the Government Lord Dubs stated categorically that the youth the two soldiers killed was unarmed. This was not a proven fact, only supposition.

What matters is that the soldiers from their observations believed him to be armed, and that is why they shot at him as, under the rules of engagement, they were fully entitled to.

Yours etc, LUDOVIC KENNEDY, Ashdown, Avebury, Wiltshire SN8 1FF, July 7.

Age of consent

From Dr Ralph Wedgwood

Sir, Mr D. P. Marchessini (letter, July 4) is right about one point — in lowering the age of homosexual consent Parliament was moved by a "moral" that is not inherently religious in character.

Although, according to Mr Marchessini, the lowering of the age of consent is not accepted by the majority of the people, it follows directly from a basic principle of human rights, which is accepted all over the world: the principle that it is wrong for governments to discriminate between classes of people without an uncontroversial and compelling justification.

On the other hand, the traditional Church of England view mentioned by Mr Marchessini that homosexuality is a sin is a sectarian religious position, which is not even accepted today by all Anglican bishops, let alone by others such as Quakers, Unitarians or Buddhists.

When a sectarian religious view conflicts with a universal principle of human rights, it is clear, I think, which of the two should prevail.

Yours faithfully, RALPH WEDGWOOD (Assistant Professor of Philosophy), Department of Linguistics and Philosophy, Massachusetts Institute of Technology, Cambridge, Ma 02139, wedgwood@mit.edu July 4.

Millennium Bridge

From Mr Malcolm Reading, Project Director of The Millennium Bridge

Sir, In response to today's letters, I would like to reassure Mr Brian Meeking that the Millennium Bridge across the Thames will have a generous handrail, specifically designed to allow people to lean against and enjoy the view.

The width of 13ft is comparable to that of other pedestrian bridges worldwide and is ample to allow people to stop and look while others pass across.

Yours faithfully, MALCOLM READING, Project Director, The Millennium Bridge, 3 Burlington Gardens, W1X 1LE, July 1.

important decisions, such as how the school shall recruit teachers.

The best example of this assertion of state control is the abolition of grant-maintained schools, which freed themselves from local education authority control by balloting parents and will now be forced back into LEA control by government diktat.

Secondly, the Government's claim that 100 per cent of budgets will be delegated to schools is highly misleading. LEAs will be able to retain as much as they like out of the total education budget — currently 25 per cent on average — before deciding how much to delegate to schools.

It does not help schools to delegate minor administration decisions, such as who shall manage the payroll, while taking tighter control over

Yours faithfully, SEAN WILLIAMS (Author, Levelling Down — The School Standards and Framework Bill, Centre for Policy Studies, June 1998), 31 Sierdale Road, W4 0HT, July 1.

From the Secretary of the Headmasters' and Headmistresses' Conference

Sir, In an article you entitled "Time to untie the straitjacket" (Education, July 3), I wrote that the Government's thinking about A-level standards is "blinkered".

Yours faithfully, V. S. ANTHONY, Secretary, The Headmasters' and Headmistresses' Conference, 130 Regent Road, Leicester LE1 7PG.

Salmon fisheries

From Dr Guy Mawle, Fisheries Officer, Environment Agency

Sir, Magnus Linklater ("Anglers cast around for culprits", Weekend, June 27) is incorrect to state that driftnet off the Northumberland coast are "taking thousands of tonnes of salmon".

The catch for 1997 was 66 tonnes, of which some 80 per cent is thought to have been destined for Scottish rivers. This compares with a catch by anglers in Scotland of 266 tonnes in the previous year.

Like several other coastal mixed-stock fisheries, the North-East coast driftnet fishery is being phased out by the Environment Agency. Since 1992, the phase-out has progressed twice as fast as originally predicted, with a reduction of about 40 per cent in the number of licences issued.

Isn't it better to provide people in my position with the necessary skills to become productive members of society, than to punish them for life by keeping them unemployed, resentful and dependent? Surely the predatory instincts of a few can be curbed without crushing the hopes of many.

Yours faithfully, GUY MAWLE, Fisheries Officer, Environment Agency, Millbank Tower, 25th Floor, 21-24 Millbank, SW1P 4XL, July 1.

First Poohsticks

From Lord Kilbracken

Sir, In weighing up the rival claims of bridges in Sussex and Devon to be the site where Poohsticks was invented (article, "Put yourself in Pooh's corner", Weekend, July 4), Rachel Kelly doesn't mention the vital fact that the Milnes' country house, Cotchford Farm, where Christopher Robin spent most of his school holidays, was in Harfield, within a short walk of the Sussex bridge.

Yours faithfully, JOHN KILBRACKEN, House of Lords, July 4.

Need to know

From Mr David Meredith

Sir, Your obituary of Peter Sherman (July 1) mentions "He never even told his employers at MIS that his service in the Sudan had been recognised with the MBE..."

Yours faithfully, DAVID MEREDITH, 17 South Marine Terrace, Aberystwyth, Dyfed SY23 1JX, July 1.

Work habits

From Mr H. T. Fleming

Sir, Your headline "Destroying landmines with a loose canon" (Television review, June 29) makes me wonder if he wears his clerical collar when doing the job.

Yours faithfully, H. T. FLEMING, Highways, 13 Cooper Crescent, Enniskillen, Co Fermanagh BT74 6DQ, July 1.

Letters that are intended for publication should carry a daytime telephone number. They may be sent to a fax number — 0171-782 5046. e-mail to: letters@the-times.co.uk

Church divided over use of land

Church divided over use of land

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OBITUARIES

SIR RALPH PERRING, Bt

Sir Ralph Perring, Bt, former Lord Mayor of London, died on June 28 aged 93. He was born on March 23, 1905.

Ralph Perring might be best remembered in the City as the Lord Mayor who introduced a note of commercial enterprise to the Mansion House by throwing his weight behind the country's export drive. Entering office in 1962 at the start of what was to be the beginning of the end of the Macmillan Government, he chose Export and Prosper as the theme of his Lord Mayor's Show...

days helping his father in the shop. Despite showing an aptitude for draughtsmanship and design, he left school for the family business. At the age of 17, however, he joined the Publicity Club of London and travelled with them to a conference in Houston, Texas. From there he took the train to Chicago, then the centre of the furniture industry, and worked there for several months before returning home.



Perring with the State Sword: he was the last Lord Mayor of London to be created a baronet

He took charge of a steady expansion of his father's business throughout the 1930s, opening a shop a year until the Second World War broke out. The new shops were judiciously sited in the suburbs, along the routes leading into London. But each had to be within a day's return journey for a horse-drawn conveyance, delivering furniture from the East End where it was made.

PROFESSOR HARRY ARMYTAGE

Professor Harry Armytage, educationist and historian of education, died on June 13 aged 82. He was born on November 22, 1915.

HARRY ARMYTAGE was probably the most influential of professors of education in the 1960s. In his lengthy tenure of the chair of education at Sheffield University, which he held from 1954 to 1982, he was widely admired for his prodigious learning and his persuasive style of lecturing. His output of publications in articles and monographs from 1951 onwards was as prolific as it was productive.

of lodgings at Sheffield at a time of student agitation, he displayed a charm and an ability to argue attractively which avoided any unpleasantness when he was confronted by angry undergraduates. Walter Harry Green Armytage was educated at Redruth County School and Downing College, Cambridge, where he took a first in history in 1937 and a Certificate in Education in 1938.

ERIK MORTENSEN

Erik Mortensen, couturier and set designer, died in Paris on June 26 aged 72. He was born on April 26, 1926.



"Haute couture is like a laboratory": Mortensen and models at a Paris show, 1986

BORN in the northern Danish port town of Frederikshavn at the tip of the Jutland peninsula, Erik Mortensen worked most of his life in leading Parisian fashion houses, dressing royalty, nobility and the rich and famous throughout the world.

spiritual and natural successor to Balmain, it came as a surprise to him when Balmain died in 1982, leaving a will appointing him sole heir to his fashion empire. Mortensen headed Balmain until 1990, when he switched to the rival Parisian haute couture company of Jean-Louis Scherrer.

Queen Sirikit of Thailand, where he was court tailor for many years. Mortensen designed largely for women — of all ages — often finding more satisfaction in creating dresses for elderly women, whom he said possessed more inherent elegance and innate femininity than overtly sexually attractive 22-year-olds.



Armytage: prolific writer who also delivered lectures on a wide range of subjects

For instance, he took a particular interest in the present Secretary of State for Education when David Blunkett was a student in Sheffield's department of politics and when he later worked as a further education lecturer in the area.

PERSONAL COLUMN

TICKETS FOR SALE, FLATSHARE, FLIGHTS DIRECTORY, FLIGHTSEEKERS, AIRLINK, FLIGHTWISE, FARESAVERS

DELTA, AIRLINK, FLIGHTWISE, FARESAVERS

JETLINE, FLIGHTSEATS, ANNOUNCEMENTS

SIR FRANCIS DUBBED WITH DRAKE'S SWORD

The Queen yesterday dubbed Sir Francis Chichester knight, in public, in the open air, in the Grand Square of the Royal Naval College, Greenwich.

ON THIS DAY

July 8, 1967 Sir Francis Chichester (1901-72) was 65 when, in August 1966, he set out on his voyage around the world. The 54ft Gipsy Moth IV is now in permanent berth beside the Cutty Sark at Greenwich.

Gipsy Moth noed in to a long pontoon lined by a guard of honour of royal watermen in their scarlet uniforms and black jockey caps... Sir Francis stepped ashore in his blue blazer and that lovable cap. There were gasps of wonder that Lady Chichester was still in her inevitable cherry-red trouser suit, with sandals and a spotty headscarf.

The secret of healthy sleep rests with Adjustamatic. If you suffer from Arthritic and Rheumatic pain, Stiff neck - Stress/Tension - Poor circulation...

DELTA, AIRLINK, FLIGHTWISE, FARESAVERS

JETLINE, FLIGHTSEATS, ANNOUNCEMENTS

blems, Mad cow bill to hit £3.5bn, Actress's thanks, Aerosol deaths, Two new prisons, Air inquiry, Raiders jailed, does iting you sick?

NEWS

Lords defiant again on tuition fees

The House of Lords inflicted one of the largest defeats yet on any government when an all-party alliance of peers defied ministers for a third time over their student tuition fee plans.

Lobbyist denies doing anything wrong

Derek Draper, the lobbyist in the cash-for-access row, admitted being brash and boastful about contacts.

Abiola dies

Nigeria was thrown into fresh turmoil by news of the sudden death - believed from a heart attack - of Chief Moshood Abiola.

Slanderer jailed

A woman doctor accused of a ten-year campaign of hate against a former male colleague was jailed as her target told how his life had been ruined.

Euro contract

The Government has asked half a dozen leading advertising agencies to pitch for a £10 million campaign to persuade businesses to prepare for the single European currency.

Viagra abuse

Viagra is likely to be abused by those seeking to enhance sexual performance and could add £1 billion to the nation's drug bill, doctors said.

Naturist victory

A court backed a retired major, ordering the return of naturist videos seized by Customs officers who raided his 16th-century manor house from where he markets the promotional films.

Burns victim home

A nurse, 28, who suffered burns to 90 per cent of her body in Australia when doused in petrol by a former boyfriend has flown home to England.

Choosing bishops

The Church of England may advertise for bishops, with candidates having to supply CVs and be interviewed.

Americans may control Eiffel Tower

The Eiffel Tower, symbol of French pride for more than a century, may soon be controlled by Americans in the most serious Anglo-Saxon affront to French dignity since Disneyland appeared outside Paris.



Riot police catch up with sleep at Corcain, near Drumcree Church in Portadown yesterday during a lull on the third day of the stand-off with Orangemen, whom they seek to prevent from marching along the Garvaghy Road, a nationalist area.

BUSINESS

Stock Exchange: City traders welcomed the strategic alliance struck by the London Stock Exchange and Deutsche Börse, its arch-rival in Frankfurt.

Boardroom pay: The Government may curb utilities directors' pay because of pressure to link rewards to performance.

Pensions: Helen Liddell, Economic Secretary, threatened independent financial advisers with extinction if they did not speed up compensation for victims of the £11 billion pension mis-selling scandal.

Markets: The FTSE 100 index rose 13.1 points to close at 6003.4. Sterling's trade-weighted index fell to 105.6 after a fall to \$1.6397 and DM2.9715.

SPORT

World Cup: When France meet Croatia in St Denis tonight for the second of the semi-finals, the teams will be fuelled with a sense of mission beyond sport.

Cricket: The left English cricket received from Old Trafford's stunning escape act will quickly be forgotten unless the Test team's inadequacies are addressed.

Motor racing: Even the considerable optimism of Eddie Jordan has been stretched by disappointments and mishaps in his Formula One championship team.

Football: David Platt, the former England captain, retired from playing with plans to travel through Europe and South America to prepare for a career in management.

ARTS

Monster smash: Sony Pictures' Hollywood rivals are calling the studio's Godzilla a flop - yet US takings of more than \$132 million say otherwise.

Peel appeal: John Peel, the grey-haired elder statesman of radio DJs, has turned the South Bank's eight-day Meltdown 98 festival into a quiet success.

School of thought: Is the Royal Opera House merely paying lip service to education, as the short-lived head of opera education claims? More troubles at the Garden.

Present laughter: Joe Orton's Looer went down so well with Chichester Festival's audience that Benedict Nightingale missed his favourite exchange.

FEATURES

Quality time: At one pioneering company, the principle of making time for families has changed the work-comes-first, child-unfriendly ethos for good.

Party animals: Why are some guests always in demand at the best parties?

Raw talent: A play by a girl aged 15 opened in the West End. Let's All go to the Fair is being hailed as a tough, truthful snapshot of south-east London life.

Ronald's rock: Nancy Reagan was a powerful figure who helped to broker superpower détente while allowing her husband to take the plaudits, friends reveal.

PROPERTY

Nostalgia: Remembrance of things past is what lures buyers to houses that are rare jewels. And, says Lucy Adams, they are prepared to pay the high price.

Dream on: One buyer in ten gets the perfect home.

THE PAPERS

Bill Clinton certainly proved a grateful guest. First the President dangerously altered the US position on the relationship between mainland China and Taiwan by moving closer to China's position on unification.



TOMORROW

IN THE TIMES

Read the review of Mojo, the movie version of Jez Butterworth's stage hit

BOOKS

Roy Porter grapples with scientific feuds; plus Fay Weldon's short stories reviewed

THE TIMES CROSSWORD NO 20,838

A crossword puzzle grid with numbers in the starting squares. The grid is 28 squares wide and 28 squares high.

- ACROSS
1 Baptist may have a celebratory drink (3,3,5,4).
9 One new dad's got to celebrate, incidentally (2,7).
10 The pain of Carroll's fits (5).
11 School in distress (6).
12 Waving no flag and no banner (8).
13 It's seen on laptop after selection from menu (6).
15 Sweater after excitement, so to speak (2,2,4).
18 It can strain an officer accompanying sovereign (8).
19 A penguin has intelligence also (6).
21 Sort of account that grips an audience (8).
23 It's sweet, but one can't operate effectively for it (6).
26 Surrounded by characters from team on guard (5).
27 A lot of trees cut down with help, as mentioned previously (9).

A crossword puzzle solution grid with letters filled in. The grid is 28 squares wide and 28 squares high.

AA INFORMATION

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Newspaper by Carvery
European fuel costs
French Motorways
Support Information
Dorsetland Park
La Sienne

Car reports by fax
The AA offers a free car report fax service from your fax machine.

MOON PHASES
Sun sets: 5:30 am, 9:18 pm
Moon sets: 4:03 am, 8:02 pm

Full moon tomorrow
Lunar eclipse on 10 July at 4:44 am
Eclipse 9:27 pm to 5:04 am
Edinburgh 9:57 pm to 4:40 am
Manchester 9:37 pm to 4:51 am
Perthshire 9:32 pm to 4:59 am

FORECAST

General: northern England and eastern Scotland will be mostly cloudy with drizzle, although North Sea coasts should see a little warm sunshine.

Around Britain yesterday
Sun: 14 to 16 pm; b: bright; c: cloudy; d: drizzle; de: dust storm; du: dull; f: fog; g: gale; h: hail; i: ice; m: mist; n: rain; o: overcast; r: rain; s: snow; t: thunder; w: wind.

Abertree, Moray Firth, NE Scotland: cloudy with occasional rain. A strengthening wind, Max 20C (68F).

SW Scotland, Glasgow, Central Highlands, Argyll, NW Scotland, Orkney, Shetland, N Ireland: cloudy with outbreaks of rain spreading from the west. A strengthening southwest wind. Max 18C (64F).

Republic of Ireland: rain, becoming brighter. Wind strong westerly. Max 19C (66F).

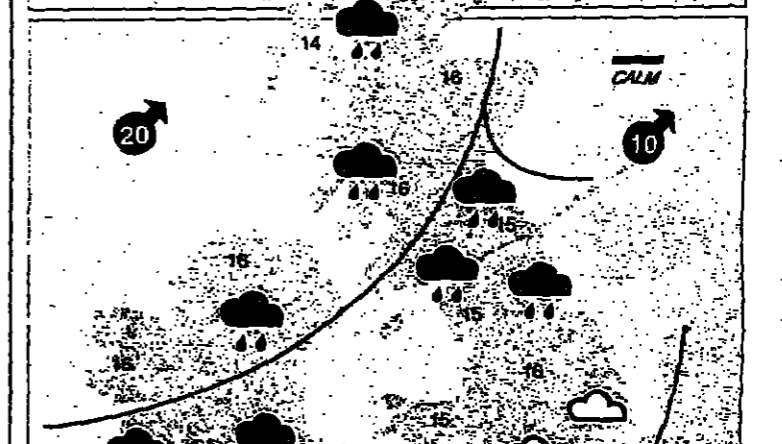
Ireland: Early rain, then brighter, in southeast England. Elsewhere bright and breezy with good sunny spells.

Poland: low in N Scotland and the west of S Scotland; low to moderate in N Ireland; moderate in N Wales, NW England and London; moderate to high in NE England, S Wales and SW England; high in E and W Midlands, East Angles, SE England, Central S England, and the east of S Scotland.

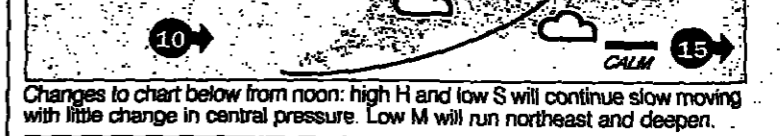
ABROAD
Alaska 25 77 s, Colorado 18 81 x, Luxembourg 17 63 c, Riyadh 45 109 s

Temperatures at midday local time on Monday. X = not available

NOON TODAY



Changes to chart below from noon: high H and low S will continue slow moving with little change in central pressure. Low M will run northeast and deepen.



Legend: Warm front, Cold front, Occluded front

HIGH TIDES

Table with columns for location, AM, PM, and TODAY. Locations include Aberdeen, Avonmouth, Cardiff, etc.

HIGHEST & LOWEST

Yesterday: Highest day temp: Omsk, Moscow, Helsinki & Worcester, 22C (72F); lowest day max: Larnak, Shetland, 9C (48F); highest rainfall: Portland, Dover, 0.5in; highest sunshine: Isle of Man, 13.9hr

Times Two Crossword, page 44

NEWSPAPERS SUPPORT RECYCLING
Recycled paper made up 41.4% of the raw material for UK newspapers in the first half of 1997

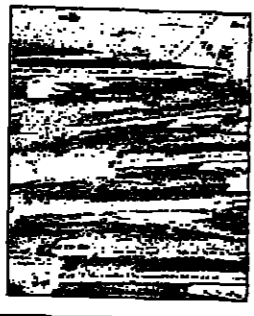
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THE TIMES

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with a history
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Jordan forced to
grin and bear
grand prix misery
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AND
RADIO**
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42,43

BUSINESS EDITOR Patience Wheatcroft

WEDNESDAY JULY 8 1998

Directors at utilities face pay controls

By Christine Buckley and Timon Day

THE Government is considering curbs on the pay of utilities' directors amid growing pressure to link their rewards with how well they serve the consumer.

The Department of Trade and Industry yesterday said that it is considering a number of recommendations to restrict boardroom excesses in essential services in response to its Green Paper on utility regulation. At the same time, Ian Byatt, the water regulator, joined the call for the directors of water and power companies to prove they are worth their pay through high standards and service.

Mr Byatt urged stringent checks on remuneration levels although he said that the supervision of performance and pay links should be left to shareholders. He said: "For some companies their directors' pay is related to meeting specific service standards - but whether these are demanding standards is not revealed. Nor do we know what weight is given to this aspect of directors' performance."

Speaking yesterday at a conference on regulation, Mr Byatt suggested that the Government could force utilities to publish their pay schemes.

His demands come shortly after Gordon Brown, the Chancellor, made it known that he was incensed at recent pay bonuses awarded at Yorkshire Water. Kevin Bond, the chief executive, was awarded an extra £55,000 on top of his basic salary of £185,000, with benefits in kind worth £58,000.

New rights to allow regulators to act against boardroom excesses in utility companies

are thought to be high on the agenda.

Margaret Beckett, DTI President, has indicated her concerns over "unearned pay" in the private sector in general. Dr Catherine Bell, head of the utilities review team at the DTI, said the Government had received many responses to the Green Paper, some of which urged a link between pay and performance. She said it had been argued that, because utilities provide an essential service, there should be a "clear link" between pay and service standards.

Yesterday Nigel Griffiths, Consumer Affairs Minister, also signalled tougher action on the utilities. He said: "We argued that all the utility regulators should have powers to impose monetary penalties to ensure compliance with overall service standards where these were not being met."

In the Green Paper the DTI said it was "attracted, in principle, to ensuring a closer link between directors' remuneration and the achievement of rigorous customer service standards, particularly for companies operating in monopoly and pre-competitive markets". Consultation on the paper is now finished and the Government is preparing its response which will pave the way for a White Paper.

When in opposition, Labour launched a crusade against high pay levels in the utilities, which started with the 73 per cent pay rise awarded to Cedric Brown, the chief executive of British Gas.

Directors of the National Grid particularly incensed Labour and also the Conservative Government by refusing to forgo bonuses for the flotation of the business two years ago. Last year David Jones, the Grid's chief executive, scooped a further £88,000 bonus fuelled by the company's partial flotation of Energis, its telephony business.

In the run-up to last year's general election utility pay was a political flashpoint. Two years ago Ian McCartney, now Industry Minister, protested outside a meeting of United Utilities as the company was forced to modify a generous incentive scheme which was widely criticised for rewarding mediocrity. Sir Desmond Pitcher, the former executive chairman, became vilified for soaring pay at the northwest monopoly water and electricity business. Earlier this year he quit the company early with a payoff of more than £900,000.

Commentary, page 25

First step to continental bourse



Werner Seifert of Deutsche Börse, left, and Gavin Casey plan a single access point by January

Traders hail landmark exchange alliance

By Richard Miles

CITY traders gave an enthusiastic welcome yesterday to the strategic alliance struck by the London Stock Exchange (LSE) and Deutsche Börse, its arch-rival in Frankfurt.

The two exchanges, which have a combined market capitalisation of nearly £2,000 billion, have agreed to cooperate in the creation of a pan-European stock market.

The first step will be to give investors in both countries a single point of access to each others' leading stocks by next January when the single currency is introduced.

Ultimately, the London and Frankfurt exchanges aim to build a common, electronic trading platform for some 300 European blue-chip stocks and bring down transaction costs.

Gavin Casey, LSE chief executive, said Europe's GDP exceeded that of the US, yet New York was the biggest stock market in the world. This would continue while Europe's capital markets remained fragmented, he said.

Mr Casey said: "The euro is a key factor [behind the alliance], but it's not the only one... it is globalisation which is the driving force for change."

The landmark alliance ends years of rivalry between the two exchanges. While a handful of critics suggested that London had capitulated to Frankfurt, most City traders reacted with delight.

To further their objectives, the LSE and Deutsche Börse have formed a joint venture to tackle problems in linking cross-continental markets. A team from the exchanges under Mr Casey, will harmonise rules and regulations.

European market, page 24
Commentary, page 25

BUSINESS TODAY

STOCK MARKET INDICES			
FTSE 100	6003.4	(+13.1)	
Yield	2.72%		
FTSE All share	2812.67	(+5.74)	
Nikkei	16416.28	(+65.83)	
Dow Jones	9088.04	(-6.73)	
S&P Composite	1154.86	(-2.86)	
US RATE			
Federal Funds	5 1/4%	(5 1/4%)	
Long Bond	107 1/2%	(107 1/2%)	
Yield	5.60%	(5.67%)	
LONDON MONEY			
3-month Interbank	7 1/4%	(7 1/4%)	
Life long gilt			
Future (Sep)	108.83	(109.11)	
STERLING			
New York			
\$	1.6377	(1.6383)	
London			
DM	1.5403	(1.5467)	
FF	2.9725	(2.9771)	
FF	9.9563	(9.9612)	
SP	2.5008	(2.5052)	
Yen	225.95	(226.44)	
£ Index	105.1	(105.9)	
US \$ DOLLAR			
London			
DM	1.8142	(1.8110)	
FF	6.0800	(6.0720)	
SP	1.5262	(1.5287)	
Yen	136.70	(140.10)	
£ Index	112.5	(112.9)	
Tokyo close Yen	139.83		
NORTH SEA OIL			
Brent 15-day (Sep)	\$13.15	(\$13.40)	
GOLD			
London close	\$294.55	(\$293.05)	

Liddell says IFAs must act soon on mis-selling

By Gavin Lumsden

HELEN LIDDELL, Economic Secretary to the Treasury, yesterday threatened independent financial advisers with extinction if they did not speed up compensating victims of the £11 billion pension mis-selling scandal.

In an emergency meeting at the Treasury Mrs Liddell told representatives of the top 30 IFAs that even the best firms had completed less than half of their phase one caseload, while many had done nothing. "I am amazed at the attitude of firms who seem to think inaction is defensible."

"If the IFA sector fails to put its house in order, and genuinely command the trust of customers, it will not only call into question the viability, but possibly the desirability, of the current industry structure."

"People have lost out as a result of having been sold products. IFAs have a clear responsibility to sort out whether any of their customers deserve compensation and provide it where it is warranted."

ed. Where there was mis-selling, those who took the profit should face the pain."

In contrast Mrs Liddell said the 40 main pension providers whom she "named and shamed" last year had made "big strides" in their reviews.

Up to 2.1 million people are believed to have suffered financially after they were wrongly persuaded to take out personal pensions instead of better value company schemes between 1988 and 1994. About a quarter were mis-sold by IFAs who have been given until the end of this year to settle between 60,000 and 96,000 of their most urgent cases in the first phase of the pensions review.

They have until the end of next year to finish the remaining 470,000 cases in phase two of the review.

Mrs Liddell's threat to IFAs could bring an end to "polarisation" that divides the financial services industry between salesforces - who can advise the public on one company's products - and IFAs who are supposed to advise on products from all companies.

Garry Heath, chief executive of the IFA Association, gave warning that the pensions review would kill off IFAs long before Mrs Liddell could. "The review will cost the average IFA nearly £600,000 even after indemnity insurance. The average IFA's turnover is £182,000."



Liddell: amazed at attitude

Lloyd's settles dispute

By Carl Mortished

LLOYD'S has settled a £12 million dispute with the architects, engineers and builders over rusting pipework at its controversial headquarters building in the City.

The insurance organisation took Richard Rogers, Ove Arup, Bovis, Haden Young and Senior Construction to court after discovering evidence of corrosion which required between £10 and £12 million in remedial work.

According to Lloyd's, water had penetrated the protective steel cladding and internal membranes of the pipework. The damage was discovered ten years after the £185 million building first opened in 1986. Lloyd's filed protective writs 18 months to two years ago and legal wrangling ensued.

The distinctive Lloyd's building had been designed with essential facilities on the outside, giving it the look of an oil refinery.

Virgin pays £145m for WH Smith Our Price stake

By Chris Ayres and Sarah Cunningham

VIRGIN Entertainment, the megastores-to-cinemas group controlled by Richard Branson, yesterday reached an agreement with WH Smith to take control of the Virgin Our Price (VOP) music retail chain for £145 million.

Mr Branson tried to buy WH Smith's 75 per cent stake in VOP for about £135 million early last year, and raised the cash through syndicated bank loans from Bankers Trust and Goldman Sachs. The deal was rejected by Bill Cockburn, WH Smith's then chief executive.

Sales at VOP for the year to May 1998 are expected to be up about 11 per cent to £500 million, up about 18 per cent.

Virgin Entertainment will give the Our Price chain separate management, headed by Mike McGinley, VOP's current managing director. Simon Wright, Virgin Entertainment's finance director,

will take control of Virgin Retail. No big expansion of the Our Price brand is planned.

Simon Burke, chief executive of Virgin Entertainment, said "We will take time now to review the whole megastore format. It was revolutionary at the time, but is now not so different from other entertainment stores."

The sale of the stake concludes WH Smith's programme of selling its non-core businesses in order to concentrate on its main high street chain. A spokesman said that WH Smith had not talked to any other possible purchasers of the Virgin Our Price stake.

If a deal with Virgin had not been concluded, WH Smith had an option to buy out Virgin's 25 per cent and then sell the whole business to anyone else. This would have meant selling the rights to the Virgin Megastore name in the UK for the next 22 years.

Gates, 42, contemplates a long retirement

FROM OLIVER AUGUST IN NEW YORK

AT THE tender age of 42, Bill Gates, the world's richest man, has started to consider retiring from his position as chairman of Microsoft.

He and Warren Buffett, America's second richest man, who is emerging as one of his closest advisers and friends, have discussed Mr Gates' future plans and potential successors.

Mr Gates said: "Picking that next

person is something I give a lot of thought to. But it's probably five years before I have to do something very concrete about it."

Mr Buffett stayed for several days at Mr Gates' house, where they discussed what to do with their substantial fortunes in between games of bridge. Mr Gates is worth \$50 billion (£30 billion) and Mr Buffett about \$36 billion.

Mr Buffett, aged 68, revealed that he intends to make the world's biggest charitable donation in his

will. He told *Fortune* magazine: "Bill and I both have a similar philosophy on giving back to our communities. I know in my own case that 99-plus per cent of my wealth will go back to society, because we have been treated extraordinarily well by society."

A donation of \$36 billion would far outstrip all known acts of charity, including the \$1 billion given to the United Nations by Ted Turner last year and the ten per cent of his wealth that John D Rockefeller gave away annually during his lifetime.

The super investor and the cybertycoon have established an astonishing rapport for two people of different generations and interests.

Mr Buffett said about Mr Gates: "I met Bill eight years ago and he's a terrific teacher. He spent six or seven hours explaining Microsoft to me."

"Here I am, the world's biggest dummy on technology and he explained it to me pretty darn well."

But money is always an issue when the two men talk. Mr Buffett told Mr Gates: "You have always got a job

with me, Bill." Mr Gates said: "The thing that was scary to me was when I started hiring friends, they expected to get paid."

Three years ago the two friends went on a trip to China together. Mr Buffett said: "I had a terrific time and also confirmed my feelings that there's going to be a lot of Coca-Cola sold there in the future. I told everyone over there that it acts as an aphrodisiac."

Mr Buffett owns some 10 per cent of all Coke shares.

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Bourse deal heralds pan-European market

INVESTORS should see transaction costs fall and liquidity improve in Europe's biggest stocks as a result of the ground-breaking alliance struck yesterday by the London Stock Exchange (LSE) and Deutsche Börse (DB), its arch-rival in Frankfurt.

The alliance will bear its first fruits next January when the euro becomes the official currency of 11 countries. By that point, the two exchanges hope to provide investors in both countries with a single point of access to each others' shares.

Over time, as other continental exchanges agree to participate, a pan-European stock market should emerge for some 300 blue-chip companies. These stocks — which are likely to become the *de facto* index for

Richard Miles says London and Frankfurt will benefit investors

fund managers to follow — will be quoted in both euros and sterling. While the LSE is committed to adopt the euro denomination when it is clear that a majority of members want it, Gavin Casey, chief executive, said it may retain sterling quotes for private investors.

The euro-300 will consist initially of the UK FTSE 100, Germany's top 50 shares and the blue-chip stocks of France, Italy, The Netherlands and other continental countries.

In the short term, a single point of access will be achieved by building a new interface to the two order-

driven dealing systems of London and Frankfurt: Sets and Xetra. The two systems are designed by the same software house, so adding a common front-end should be straightforward.

Eventually, this quick patch will be supplanted by a single, common electronic trading platform, which both London and Frankfurt believe will serve as the foundation for a "virtual" pan-European stock market. Geographical location will no longer be important to dealing.

At the same time, the two exchanges have pledged to work

together to harmonise their rules and regulations. Both have alerted national regulators to their plans, but there is an issue as to who is the natural regulator for a Europe-wide stock market.

Dr Werner Seifert, the DB chief executive, said the alliance would result in economies of scale and the pooling of liquidity. He said the first will drive down transactional costs, while the second will help narrow spreads on individual stocks, which has plagued Sets since its introduction last autumn.

Phillip Wale, head of equities

trading at Commerzbank Global Equities, said: "The two strongest teams have formed an alliance. Together they will set the standards for the rest of Europe. Ultimately, we will have one settlement system too."

National settlement companies such as CrestCo in the UK have been working for some time to improve the cross-border settlement of share trades under the auspices of the European Central Securities Depositories Association (ECSDA).

While ECSDA's existing plans are for a network of national settlers whose systems plug into each other, many in the City now believe it is only a matter of years before a European central settlement company is established.

BUSINESS ROUNDUP

MacKenzie is sole Talk Radio bidder

KELVIN MACKENZIE, the former editor of *The Sun* and senior executive of Mirror Group Newspapers, looks likely to win the bidding battle for Talk Radio with an offer thought to be in the region of £25 million. Yesterday, the newspaper executive's only remaining competitor — the station's management team backed by United News & Media and the Guardian Media Group — effectively dropped out of the bidding race by deciding not to increase its offer, which has been estimated at £20 million.

Mr MacKenzie is backed by News International, owner of *The Times*, in his bid for CLT-USA's 62 per cent stake in the talk-based station. Negotiations between the Luxembourg media group and Mr MacKenzie are said to be at a "sensitive" stage, with CLT previously demanding £38 million for its stake. MVI, the North American venture capital group that already owns a 35 per cent stake in Talk Radio, is also backing Mr MacKenzie. News International will take a 20 per cent stake in Talk Radio if the deal goes ahead. A source urged caution yesterday, saying: "It's by no means a done deal."

Goldman no to Cliveden

GOLDMAN SACHS has broken off talks with Cliveden, the luxury hotel operator, after deciding not to enter a bidding battle with a consortium of US investors led by Bill Gates. A source close to the investment bank said a review of Cliveden's books had failed to justify offering a higher price than the £44 million on the table from the Destination Europe consortium. The board of Cliveden yesterday recommended that its shareholders accept Destination Europe's 95p-a-share offer.

Challenge for Harveys

SALES growth at Harveys Furnishings has dropped off dramatically, confirming that the furniture retail sector remains in difficulties. The company enjoyed like-for-like sales growth of 8.4 per cent in the year to April 25, but has since seen a fall to just 1.5 per cent. Sir Harry Solomon, chairman, described the market as "challenging" as it unveiled an annual pre-tax profit of £12.6 million (£905,000). Underlying earnings per share rose from 12.58p to 18.51p and a final of 6p per share will be paid, giving a total of 9p (6p).

Royal Bank appointment

THE former chief executive of the Clydesdale Bank has been appointed deputy chief executive of its main rival, the Royal Bank of Scotland. Fred Goodwin, who was chief executive of the Clydesdale for three years, is believed to be a candidate to succeed Dr George Mathewson, the Royal Bank chief executive, after his retirement in two years' time. Mr Goodwin will work on strategic development for the bank, which is keen to increase its retail network. It recently failed in its bid for the Birmingham Midlands Building Society.

Bespak at record high

BETTER THAN EXPECTED full-year profits lifted Bespak shares 5p to a record high of 102p. The drug delivery and medical devices manufacturer increased pre-tax profits by 25 per cent to £13.8 million on turnover ahead 11 per cent at £86 million. The dividend total rose from 12.3p to 13.7p. Business boomed in asthma inhalers and the new dry powder inhalers, where Bespak is the world's leading supplier, with sales up 25 per cent to £49 million. Bespak is half-way through a £45 million expansion programme.

Precoat rises by 13.5%

PRECOAT INTERNATIONAL, the steel distributor, raised pre-tax profits by 13.5 per cent to £3.73 million in the year to the end of April on sales up from £49.3 million to £57.2 million. Earnings rose 11 per cent to 17.07p out of which the total dividend rises 8.2 per cent to 6.6p after payment of a 4p final. Ian Williams, the chairman, said: "Provided there are no new adverse economic or market developments beyond our control, the company will again record further progress in the current year."

Morgan sizes up rivals

MORGAN STANLEY DEAN WITTER, the investment bank, has topped the latest corporate finance league table compiled by *Acquisitions Monthly* for the size of its deals. In the first six months of the year it was involved in deals worth just over £18 billion. The aggregated size of all mergers and acquisitions completed in the first six months of 1998 was £41.7 billion, dwarfing the £25.5 billion sum of deals done in the first half of 1997. The total number of deals done was 1,042, up from 727.

Strong pound hits A&H

ADAM & HARVEY, the steel stockholder that trades in Africa and the Far East, suffered a fall in pre-tax profits from £5.2 million to £4.2 million in the year to end March on sales down from £46.8 million to £40.6 million. Earnings fell from 67.4p to 54.5p although the total dividend for the year is held at 47p. The shares rose from 280p to 297.5p. The company said that operations at local level performed well, but that "translation into sterling has had a detrimental effect". The company is looking for opportunities in its African markets.

RPC £16m acquisition

RPC, the paper and packaging group, is to acquire for £16 million the disposables division of Gizeh from Deutsche Bergelignungs which has operations in France, Poland and Germany. RPC raised pre-tax profits from £10.5 million to £15.5 million in the year to end March on sales up from £129 million to £240 million. Earnings rose from 11.5p to 13.6p. The final dividend rises from 2.85p to 3.15p, taking the total up to 4.65p from 4.20p. Lindsay Mackinlay, the chairman, said: "The current year has started well."

Investment trusts lose perks after share error

By Patrick Collinson

FOUR investment trusts with £160 million invested in Latin America are scrambling to sell off shares after inadvertently breaking Inland Revenue rules and losing their tax perks.

Foreign & Colonial is hardest hit, with two trusts, the £100 million Latin American trust and the £40 million Brazil trust, falling foul of Revenue rules and becoming liable for capital gains tax.

Edinburgh Fund Manager's £20 million Inca trust and Aberdeen's £20 million Latin American trust have also lost

trust status. All the trusts broke Inland Revenue rules that forbid any one share making up more than 15 per cent of a trust's total holdings.

The rule breach arose after the trusts bought shares in the newly-listed Brazilian regional telecom companies in addition to their holdings in Telebras, the state-controlled telecom operator that dominates the Sao Paulo market.

But the Inland Revenue has ruled that the regional companies are part of the same group as Telebras and should be counted as one share.

Emily McLoughlin, manager of F&C's Latin American trust, said the trust had divested its holdings and now conformed to Inland Revenue rules: "The regional telecom companies are cracking good value, and when we bought them we did not realise we were inadvertently breaching the rules."

"Most Latin American fund managers are now scrambling to go through their transactions to check if they have done the same," she said.

Fortunately for investors the loss of capital gains tax exemption will cost little — because the trusts have slumped in the wake of the Asian financial crisis and have no capital gains on which to levy a tax.

The average Latin American trust is down 26 per cent over one year and most are trading at discounts of about 20 per cent.

F&C is now considering restarting the financial year for its trusts to ensure that they regain trust status and CGT exemption. It promised that all additional costs for auditing would be met by the fund manager and not investors.



Eastern promise: Michael Paterson, left, finance director, and Hock Ann Chua, managing director of Oriental Restaurants, which operates the expanding Sri Siam and Imperial City chain in the City of London. Pre-tax profits were up 30 per cent to £1.8 million to end March.

Prime site talks for Slough

By Carl Mortished

SLOUGH ESTATES, the industrial property group, is in exclusive negotiations with the Defence Estate Organisation to buy The Business Park, a 180-acre site near Farnborough Aerodrome.

Slough Estates plans to invest £250 million in con-

structing 1.6 million sq ft of commercial space on the site. It said it wished to build the pre-eminent business park in the M3 corridor and add to its portfolio which includes Slough Trading Estate and the Winnersh Triangle in Reading. Slough said that the site is

regarded as the largest available commercial site in the M3 corridor.

Slough shares fell 7p to 326p. Derek Wilson, chief executive of Slough, said: "Slough is delighted to have been selected to purchase this site."

VW plans fund for wartime 'slaves'

By Adam Jones

VOLKSWAGEN is to set up a private fund for those forced to work as wartime slave labourers in its Wolfsburg complex in Germany between 1944 and 1945.

Thousands of people, including many Jewish prisoners from the Auschwitz and Buchenwald concentration camps, worked as slaves for VW, the new owner of Rolls-Royce Motor Cars.

Decades later, VW, which says it "deeply regrets" the forced labour, is trying to head off renewed claims for individual compensation. It has argued that such claims can only be directed against the German Federal Government as the legal successor to the Third Reich.

As they expand in the US, German firms increasingly have come under fire from American Jewish organisations over their wartime conduct. VW recently launched the new Beetle in the US.

VW commissioned a study by the historians Hans Mommsen and Manfred Grieger on the history of the company's plant during the Second World War. The study was criticised by some for not devoting enough attention to Volkswagen's treatment of the babies of slave labourers, who were removed to a "baby farm" where many of them died of neglect.

The company did not say yesterday how much would be made available in the fund but said details would be announced in mid-September. It has spent about DM25 million (£8.3 million) on funding projects "to do justice to its historical obligations arising from crimes committed during the National Socialist dictatorship". These projects included a rehabilitation centre for handicapped children in the Ukraine.

VW also announced yesterday that it intends to assemble up to 35,000 Skoda Felicia vehicles a year at a site near Sarajevo in Bosnia.

Ronson hit by second departure

RONSON, the troubled cigarette lighter maker that boasts Victor Kiam as its non-executive chairman, has lost its second chief executive in little over a year (Matthew Barbour writes).

Richard Furse, who was brought in as chief executive by Mr Kiam when he bought into Ronson four months ago, is to part company with the group.

Mr Kiam, known for his Remington shavers, is to assume Mr Furse's responsibilities and replace another director, Lars Rydstrom and become chief marketing officer and executive chairman. Mr Furse's departure follows the company's failure to produce its reports and accounts to schedule.

LEGAL & PUBLIC NOTICES

0171-782 7344

LEGAL NOTICES

TO THE CREDITORS OF M&C DISPENSARIES LIMITED
M&C DISPENSARIES LIMITED (INCORPORATED IN ENGLAND) has received notice from the Liquidator of the company that the Liquidator has received from the creditors of the company a total of £1,100,000.00. The Liquidator is required to distribute this sum to the creditors of the company in accordance with the provisions of the Insolvency Act 1986. Any creditor who has not submitted a claim to the Liquidator by the date of this notice should do so as soon as possible. The Liquidator's office is at 15 Abchurch Lane, London EC4N 3DF. Date: 24 July 1998. J. G. H. Jones, Liquidator.

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TRUSTEE ACTS

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Staff at Savills to share £14.6m bonus

By Carl Mortished

STAFF at Savills, the property consultancy, are to benefit from a big rise in the annual bonus after the group's profits surged by 49 per cent in the year to April 30.

Incentive payments and bonuses will rise from £9.8 million to £14.6 million, to be shared out among the 957-strong firm. Richard Jewson, chairman, predicted that property would remain attractive to investors over the short-to-medium term. He said: "Property yields are standing at their highest level above gilt yields for some time."

Aubrey Adams, managing director, said there should be

another 18 months to two years of real growth in commercial rents but growth in the residential sector would be slow.

Pre-tax profits rose from £7.6 million to £11.3 million. Savills acted in commercial property deals valued at some £1.2 billion and sold 2,700 residential units, up 15 per cent over last year. The firm reckons prices have stabilised in the London residential sector with supply and demand more evenly balanced.

Savills is paying a total dividend of 4.75p for the year, up from 3.5p out of earnings of 17.1p (12.5p).

Staff at Savills to share £14.6m bonus

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Aubrey Adams, managing director, said there should be

MPs investigating British Biotech call new witnesses

By Paul Durman

A GOLDMAN SACHS analyst, the Perpetual fund manager, and Dresdner Kleinwort Benson have been called to give evidence to the committee of MPs investigating the crisis at British Biotech.

Jane Henderson of Goldman Sachs was instrumental in flushing the company's numerous problems into the open when in February she telephoned Andy Millar, who was then director of clinical research. This led to a series of meetings at which Dr Millar spelt out his concerns about British Biotech's drugs

and its overly ambitious business plan to Perpetual, its second largest shareholder. A meeting with Mercury Asset Management at Dresdner Kleinwort Benson, British Biotech's financial advisers, prompted Dr Millar's suspension in March. He was dismissed in April.

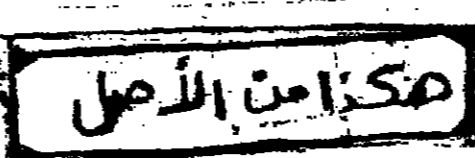
Perpetual has been British Biotech's harshest City critic, at one stage considering calling a shareholder meeting to remove Keith McCullagh as chief executive. At next Wednesday's hearing before the Science and Technology Committee, Perpetual will be represented by

Bob Yerbury, its chief investment officer, Margaret Roddan, head of European equities, and Neil Woodford, the senior fund manager. Dresdner Kleinwort Benson is expected to field Peter Button, Simon Neathercoat and Tim Barker.

The committee has sought written information from other witnesses, thought to include Cameron McKenna, the lawyers who conducted an internal investigation into allegations of insider dealing by the directors, and Peter Lewis, the former research and development director.

Bank	Rate	Bank	Rate
Australia \$	2.75	Bank	2.85
Austria Sch	21.00	Bank	20.24
Belgium F	34.46	Bank	33.88
Canada C	2.40	Bank	2.35
Denmark Kr	0.11	Bank	0.10
France F	6.51	Bank	6.35
Germany DM	3.13	Bank	3.05
Italy Lira	241.85	Bank	234.55
Japan Yen	8.00	Bank	7.80
Spain Ptas	166.38	Bank	162.50
Switzerland Sfr	2.05	Bank	2.00
UK £	1.00	Bank	1.00
USA \$	1.74	Bank	1.68

EU ai
THE European Commission...
The Commission has announced that it will be investigating the activities of the 15-strong TACA members who have attempted to rig the competition Commission...



Panic in the streets of London



COMMENTARY by our City Editor

A decade ago, the deal struck with the Deutsche Börse yesterday by the London Stock Exchange would have been unthinkable. In those days the German exchanges had not yet worked out how they would cooperate with each other. London thought it was the natural centre for both share and bond trading in Europe, and nobody would have been able to push such a reform through the unwieldy and self-interested council that then ran the Stock Exchange. As it is, this deal seems to benefit investors, something that the Stock Exchange has not always been that good at, but might not actually be terribly good for the members of the LSE themselves.

There are many who think they can smell panic in the LSE's rush to jump into bed with Frankfurt. Gavin Casey and co looked out from their concrete tower and spotted Life, which has been given "one hell of a beating" by the Deutsche Terminbörse, a little-regarded futures and options exchange, which undermined its larger London rival by adopting new technology quicker. The DTB's big brother appeared to be copying up to Nasdaq, the highly successful US exchange that likes to advertise on British TV. This must have worried the LSE, though yesterday it was claiming the whole Nasdaq/Frankfurt thing was a smokescreen and the London/Frankfurt talks had been going on since early May.

That may be, but in the rush to get to the altar there are a multitude of loose ends untied. The largest of these is settlement — perhaps the biggest headache for the LSE since big bang in 1986. Given that Taurus was a disaster and SETS has yet to settle, it is no surprise that the LSE wanted to sort out the broad brush issues before it started talking turkey about how traders are going to settle these marvellous transactions on this new European exchange.

If settlement is sorted out properly — and that is a big if — this new market will improve liquidity, improve transparency and make it easier for small investors to trade on terms that approach those enjoyed by institutional investors.

What it will not do is secure London's place as a financial centre. It actually gives Frankfurt more of an opportunity to poach business than it would have enjoyed previously. True, if Frankfurt had linked with Nasdaq to create a Euro-exchange, this would have challenged the LSE. But if the LSE did believe that the Nasdaq/Frankfurt talks were a smokescreen, it should have held its ground. Being twice the size of the

Deutsche Börse, and with far more volume, it surely could have just sat back and waited for all the business to fall into its lap. London now has to rely on large American and Swiss companies to keep faith with its as a financial centre. They will, but largely because the Americans speak English and the firms who are in London have invested billions to be there, not because this is a smart move by the London Stock Exchange.

Make punishment fit the crime

Utilities evoke a warm, even romantic glow of nostalgia in the hearts of new Labour folk. These are the only businesses left on which they are licensed to vent their traditional hatred of private enterprise and over which they may still indulge their ritual compulsion to regulate, control

and generally mess about. The direct new compulsion is to control the pay of directors of utility companies, regardless of the wishes of the shareholders who employ them. The desire was expressed, albeit without much substance, in the Green Paper on utility regulation. It could hardly be forgotten altogether so soon, given the high-profile if spurious pre-election campaigns against "fat-cat" pay at all privatised companies. In a world where most regulated utilities are subsidiaries of bigger public companies, however, pay controls would be impractical as well as daft.

Ian Byatt, water's financial regulator, has now offered a way to get ministers off the hook. He admits that pay policies of utilities, and even their adherence to best boardroom practice, are matters for shareholders, not regulators. Bending as graciously as usual to the political wind, however, Mr Byatt argues

that regulators could structure price controls more carefully to guide shareholders.

The next water price limits will reward or penalise the past quality of customer service and environmental performance, both in absolute and relative terms. And Mr Byatt will make the information public so that shareholders can judge their own directors' performance.

This is the right way. Most good managers are simple folk. Give them a target, such as making phone boxes work or beaches clean and, if they are any good, they will meet it fast and effectively. To give the right incentives, make sure that these objectives affect profits.

Maximising the bottom line, or relative shareholder returns, is the simple target most managers like to be judged by. It is usually a flawed target because it ignores much of the impact on the community of the way managers run their business. Utility

directors, uniquely, should be judged on the bottom line alone. In their case, regulators are there to take account of all the other issues and make sure they are reflected in bottom-line profit.

These other issues do not include boardroom pay. The proper regulator of that is the Chancellor, using a well-tryed mechanism called income tax.

The bulldog barks back

Reports of the death of the British-owned corporate finance department, it seems, are much exaggerated. The most recent instalment of the regular survey undertaken by *Acquisitions Monthly*, the magazine, shows that Morgan Stanley Dean Witter, one of the US raiders, leads the corporate finance pack in this country. Several others of North American or continental genesis feature prominently.

But our own Lazard, and plucky Schroders, continue to fly the flag. Both bear Merrills, Deutsche Bank, Warburg Dillon Read, Dresdner Kleinwort Benson and Salomon Smith Barney in terms of the aggregated finan-

cial size of deals they were involved with. Schroders also beat Goldman Sachs, and came second only to Morgan Stanley in the league table. Take into account its record defending companies in hostile bid situations, and Schroders has even more reason to be proud.

Schroders also did many more deals than any of the North American or continental arrivistes. Furthermore it was another British name, that of the newly merged accountant firm PricewaterhouseCoopers, that did the most deals of all, albeit that most of them were small and private.

The power of the big American firms cannot be doubted. Neither can British corporate finance teams underestimate their influence nor bet on a reversal of the increasingly competitive and aggressive trends. But there is life in the old bulldog yet.

Price is right

THE Public Accounts Committee is "very concerned" about the price the Government received for the Ministry of Defence married quarters. It claims Annington, the Nomura-backed consortium, should have paid £136 million more than the £1.6 billion it coughed up. But if it was such a bargain, how come Annington has struggled to raise funds on the capital markets? Compared with most privatisations, this was a good deal for the Government.

Berkeley confident of stability in market

By Robert Cole, City Correspondent

TONY PIDGLEY, managing director of Berkeley Group, the upmarket housebuilder, said yesterday that the housing market has pulled back from the brink of re-entering a boom-bust cycle.

He said: "We have come through a market which was not normal. This time last year we could have put 100 properties on the market and be sold out within a week."

Mr Pidgley admitted that the short-term effect of such activity was good for Berkeley but that it was not healthy long term. It also encouraged property speculators to come in and fuel price inflation. "We welcome the change because the market had been getting overheated. A return to boom-bust would have done nobody any good," Mr Pidgley said.

His comments were interpreted by the stock market as pointing to a slowdown at Berkeley and the company's shares fell in value. Mr Pidgley said that sales of newly built Berkeley houses were running 10 per cent behind budget, but he added that the budgeted figures were above strongly positive sales statistics of last year.

Berkeley used to be known for building family houses in the Home Counties but in recent

years has switched its emphasis to inner-city sites it redevelops. Projects in London include the Harrods Depository in Hammersmith. It also has sites in Birmingham, Nottingham and Cardiff.

Pre-tax profits for the year to April 30 rose 33 per cent, and broke through the £100 million level for the first time. They were £103.3 million against £75.1 million. In the year it sold 3,056 houses and flats, compared with 2,222 in the year previously. The average sale price was £193,000.

Last October Berkeley held a two-for-nine rights issue at 560p to raise £24 million. It said that it had spent all that money, mostly buying sites in inner cities. Berkeley said it is currently without debt.

Earnings per share grew less quickly because the rights issue put more Berkeley shares in circulation. Earnings per share for the year were 60.6p (49.3p). The final dividend is 7.6p, making a total 10.25p (9.1p).

Graham Roper, the chairman, is to step down on medical advice. Roger Lewis, who was finance director until June 1, will take Mr Roper's place in 12 months' time.

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Big lift: Richard Baldwin's stake is worth more than £9m

Crane company given £33m tag

By Rachel Bridge

THREE members of the Baldwin family turned an investment of £100,000 into £22.7 million yesterday as they floated their crane hire company Baldwin's Industrial Services on the stock exchange.

Richard, Sandra and Stanley Baldwin, who took over the business from their father Victor in 1977, had to abandon an effort to float it two-and-a-half years ago because it was considered too small.

The three — who all still work at the company — are not selling any of their shares in the float, giving them a combined 68 per cent stake in the enlarged group. Richard Baldwin, the chairman, and chief executive will retain 77 per cent. The new shares are being placed at 112p, valuing the group at £33.4 million. The placing will raise £10.2 million.

The placing, which has been oversubscribed one-and-a-half times, puts Baldwin's on a multiple of 7.4 pro forma earnings for the year to March 1998 with a notional dividend for the year of 3 per cent.

Pre-tax profits increased from £3.02 million in the year to March 1997 to £4.12 million in 1998 on turnover up from £22.4 million to £28.7 million.

The proceeds from the placing will be used to reduce gearing from 250 per cent to 110 per cent and to enlarge the fleet. Richard Baldwin said that the company hopes to increase the number of heavy cranes from 19 to 27 over the next 18 months and expand further into Europe.

Yesterday Baldwin's said trading for the first few weeks of this year were up on last year and they were confident about the full year.

New focus helps Low & Bonar

By Paul Durman

LOW & BONAR, the packaging and plastics group, said it is beginning to see the benefits of its strategic repositioning, pointing to the improvement in its profit margins from 10.6 to 12.7 per cent.

The company is attempting to focus on its higher margin packaging interests, and is concentrating on folding cartons and packaging services in Europe and industrial packaging in North America.

First-half pre-tax profits rose by 5 per cent to £22.3 million. Operating profits were 10 per cent ahead at £24.4 million but would have been 16 per cent ahead but for the strength of the pound. Sales of the continuing activities were 7 per cent higher at £191.5 million.

The packaging division increased its operating profits by 12 per cent to £11.7 million. The

disposal of underperforming parts of the business led to an increase in margins from 8.3 per cent to 11.5 per cent. The continuing business had sales of £101.6 million.

Acquisitions were responsible for half the growth in the plastics division, which improved profits by 18 per cent to £5.5 million. The specialist materials division was held back by weak demand for floorcoverings from the Far East and Australia. Operating profits improved by only £100,000 to £7.2 million.

John Robinson, chairman, said: "We see scope for further progress, particularly from the reorganisation of our worldwide packaging operations."

The interim dividend rises 6 per cent to 4.5p a share.

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Budgens to rebrand Freshsave

BUDGENS, the convenience store and supermarket company, is pulling out of discount food retailing and will rebrand its Freshsave stores (Sarah Cunningham writes).

Like-for-like sales at the Budgens stores was up 2.3 per cent last year but was down 1.7 per cent at the eight-strong chain of Freshsaves. They are to be relaunched as branches of Budgens.

The company said that pre-tax profit in the year to April 26 rose 15.5 per cent to £10.5 million (£9.1 million) on turnover that rose 13.7 per cent to £386.4 million. Fully diluted earnings rose from 3.6p to 4p. It will pay a final dividend of 1.15p giving a total of 1.0p (1.4p).

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John Menzies in the red after £62.6m writedowns

By Fraser Nelson

JOHN MENZIES has slipped into the red for the first time in its 165-year history after total writedowns of £62.6 million against its retail division.

The company, which has switched its focus to distribution, was left with a £28.6 million annual loss — against £31 million profit last time.

David Mackay, chief executive, said: "We have had to do this purely through accounting regulations. There is no economic effect on the company, we have more shareholders' funds and we are in much better form."

Closing down 22 Early Learning Centre shops cost £10.9 million; its abortive Funsoft joint venture cost

£26.7 million and a goodwill write-off against 70 newsagents acquired in 1988 wiped £25.3 million from the results.

Mr Mackay said the writedowns disguised a successful year, where it raised £68 million from selling its newsagents to WH Smith and paid off its borrowings. He said the company now has an acquisition war chest which can stretch to "at least £100 million".

Its core magazine distribution market helped underlying pre-tax profits to £34 million (£30.6 million) in the year to May 2 — some £3 million ahead of City expectations.

The profit improvement was helped by reducing the

number of storage warehouses from 39 to 33. The company now hopes to reduce the number of London warehouses from five to two.

City analysts praised the recovery at the Early Learning Centre, where like-for-like sales were up by 5.4 per cent. The division is to be demerged within three years.

Smythson of Bond Street, its small leather goods division, is expected to be sold within the next three months.

Headline earnings were 40p (33.6p) per share. The dividend rises to 15.2p (13.8p), the first increase since 1996. A final 10.4p is due on October 30.

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EU aims to fine shipping cartel

By Carl Mortished
INTERNATIONAL BUSINESS EDITOR

THE European Commission is to impose swingeing fines on a cartel of shipping lines, including P&O Nedlloyd, which is accused of price-fixing on North Atlantic container routes.

The fines are expected to amount to as much as \$35 million (£22 million) for each member of the 15-strong Trans-Atlantic Conference Agreement (TACA) but the action will be vigorously opposed by TACA members who have been fighting attempts by Karel Van Miert, the EU's Competition Commissioner, to stop the

cartel's price-fixing activity. TACA reckons that it has sound legal grounds to appeal any fine through the European Court: it claims that the offending agreements were notified to the Commission under the proper procedures and were exempt from EU competition rules by the Council of Ministers under Regulation 4056.

However, the shipping industry believes that Mr Van Miert is unhappy about the exemption granted by the Council of Ministers and wants to engineer a confrontation with TACA.

A spokesman for the EU's Competition Directorate said that fines were on the

agenda for the Commissioners' meeting on July 22. He said: "From our perception, price-fixing is one of the cardinal sins in the competition rules. We think that shippers and carriers can cope with competition."

TACA members claim that price-fixing conferences are an accepted part of the worldwide shipping industry and are even tolerated in Washington. The industry is notorious for its boom and bust cycles and shipping lines claim that they need price agreements to cope. The container industry is recovering from a glut in supply after a shipbuilding boom in the Far East in the early 1990s.

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STOCK MARKET



MICHAEL CLARK Stock Market Writer of the Year

Scottish Power continues surge as FTSE tops 6,000

SHARE prices in London ventured back above the 6,000 mark for the first time in a month despite concern among investors about another rise in interest rates.

Further gains on Wall Street provided fresh impetus in late trading, helping to revive the index after it threatened to slip back below the 6,000 mark. The index eventually closed 13.1 up at 6,003.4.

Investors must wait until tomorrow to see if the Bank of England Monetary Policy Committee chooses to raise rates. The mere threat was enough to dampen sentiment, reflected in total turnover of just 893 million shares.

Scottish Power was the best performing stock among the top 100 companies with the price surging 6p, or 12 per cent, to 620p as brokers continued to speculate about the imminent flotation of its Scottish Telecom subsidiary. Such a move would be well received and would mirror the National Grid's flotation of Energis last year. Since December last year Energis has soared from a low of 254p to close last night at £10.57, a fall of 65p on the day.

Analysis says the flotation of Scottish Telecom could be worth between 100p and 200p a share to its parent company. National Grid rose 7.2p to 434.2p with HSBC emerging as a holder of 101.4 million shares, or 11.6 per cent.

Elsewhere in the energy sector, British Energy slid 6p to 524p despite Merrill Lynch, the broker, upgrading its recommendation on the shares from "neutral" to "accumulate".

Takeover favourite Rael Electronics jumped 21.2p to 421.5p, fuelled by a "buy" recommendation from Henderson Crosswhite, the broker. A "buy" recommendation from Dresner Kleinwort Benson, the broker, was also good news for AEA Technology, 37.2p up at 950p.

Compass Group retreated 2p to 641p because Lehman Brothers, the US securities house, is worried about sales growth in the US and has removed the shares from its "preferential buy" list.

Marks & Spencer dropped 9.2p to 537.2p after Credit Suisse First Boston, the broker, cut its profits forecast for the current year from £1.09 billion to £1.06 billion. It remains a buyer of the stock. There was a subdued re-



John von Spreckelsen saw a subdued response to a 15 per cent profit increase at Budgens. The shares rose just 1p

sponse to the 15 per cent rise in profits at Budgens, the food retailer, with the price firming just 1p to 79p. The group, whose chief executive is John von Spreckelsen, is confident of a useful return on its retained convenience store chain this year.

It was the first day of dealings on AIM for Sports & Outdoor Media after a plac-

ing by Henderson Crosswhite, the broker, at 76p. The group which specialises in display advertising in football, cricket and rugby stadiums, is still two thirds owned by financier John Beckwith. It opened at 82.2p and touched a peak for the day of 97.2p before closing at 92.4p, a premium of 16.2p. Cliveden retreated 3.2p to

93.4p as hopes of a bid battle began to fade. The company is already on the receiving end of an offer of 95p a share from Destination Europe, a consortium that includes Microsoft's Bill Gates, which values the hotel chain at £42.8 million.

The rally continues apace at Shield Diagnostics, up 60p at 582.4p, ahead of Friday's final results which will be accompanied by a visit to the group's Dundee office by a party of a dozen analysts.

Roger Payton, chairman of Jarvis, has decided to capitalise on the phenomenal success of the group during the past year. He has sold a parcel of 40,000 shares at 685p, reducing his total holding to 400,000 shares, or less than 1 per cent. Jarvis was down 15p at 677.2p.

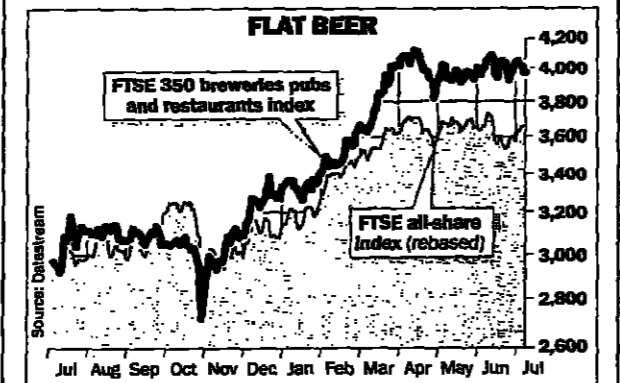
Geest was 3.2p cheaper at 584p, seemingly unmoved by the news that it is to replace Courtlaids as a constituent of the FTSE 250 index.

Card Clear retreated 1.2p to 63p after angry shareholders demanded an extraordinary general meeting. They demand to know why the two founding directors of the credit card fraud prevention business had left the company.

Institutional buyers came out in force for Matthew Clark, the drinks distribution group, with the price ending the session 8p higher at 192p. GILT-EDGED: Bond prices in London gave up ground with investors keeping low key ahead of today's meeting of the Monetary Policy Committee. Brokers are divided on whether rates will be raised above the current 7.5 per cent level despite further evidence of a slowdown in the economy. Prices at the shorter end suffered the worst falls, undermined by reports that earnings were continuing to

nudge higher. In the futures pit, the September series of the long gilt fell £0.28 to £108.83 as a total of 43,000 contracts were completed. The short-dated future also shed £0.16 to £103.02 on turnover of 834 contracts.

Among conventional issues, Treasury 8 per cent finished £7.16 down at £120.23, while in shorts Treasury 7 per cent 2002 was £.07 off at £107.23. NEW YORK: Shares were little changed as the market paused to digest recent strong gains as early June quarter earnings were reported. The Dow Jones industrial average closed down 6.7p at 9,855.04.



SHARES in the big brewers had all the appeal of a flat pint yesterday with brokers anxiously awaiting full-year results later today from Scottish & Newcastle, down 28p at 782p.

Pre-tax profits are expected to come in at between £410 million and £430 million, compared with £372 million last time. But BT Alex Brown, the broker, is fearful that these results will mark the start of a slowdown in earnings growth as the cost savings from the Courage acquisition start to evaporate.

Another brewer coming under the hammer yesterday was Whitbread, with the price dropping 30p to 930p amid claims among brokers that the group was poised to pare back its heavy investment programme. But Whitbread was not alone - losses were also seen in Bass, 16p to £11.04, and Usbers of Trowbridge, 6p to 113.2p.

Beer volumes generally have fallen by up to 15 per cent this year, so signs of an improvement at Diageo, up 28p at 740p, have been greeted enthusiastically in some quarters this week.

MAJOR INDICES

Table of major indices including New York, Tokyo, Hong Kong, Amsterdam, Sydney, Frankfurt, Singapore, Brussels, Paris, Zurich, London, FTSE 100, FTSE 250, FTSE 350, etc.

RECENT ISSUES

Table of recent issues including Advl Group, Advances Dev Mtrcs, Anglo-Siberian Oil, Biocipils WIS, etc.

HIGH SHARES

Table of high shares including LEPCO n/p (40), Martin Int n/p (36), etc.

MAJOR CHANGES

Table of major changes including RISES: Shield Diag, Real Time, Securicor, etc.

TEMPUS Too harsh too soon

THE stock market yesterday delivered a harsh verdict on Berkeley Group, arguably Britain's pre-eminent housebuilder. Profits, Britain's pre-eminent housebuilder. Profits, Britain's pre-eminent housebuilder. Profits, Britain's pre-eminent housebuilder.

Blame, if that is the right word, lies with Tony Pidgeley, Berkeley's charismatic managing director. His comment that current sales were running behind budget was largely responsible for putting the shares under the stock.

A sharp share price markdown may have been justified if Mr Pidgeley's sober report from the front line came as anything of a surprise. One may have understood the fall better if the shares had been riding on a high recent rally. But neither is true.

No doubt Berkeley, which sells expensive houses and flats in London and the South East, is exposed to an economic slowdown. But the recession will have to be deeper and longer than most people expect if Berkeley's share price rating is justified. At 585p, the share is less than ten times current year earnings estimates.

Perhaps the share price fall says more about the stock market's overall composure than its lack of faith in Berkeley. If recession and equity market stagnation are around the corner, Berkeley is too big to escape the fallout. In the meantime it is worth remembering that Berkeley is healthily profitable, thoughtful and sensible about its future, and ungaraged. With Berkeley's record for astute reading of the housing market, the shares deserve better and are a buy.

John Menzies

DAVID MACKAY has earned his place as chief executive of John Menzies. Under his short tenure the company has sold its famous high street stores, paid off its debt and is now beginning to conquer the Early Learning Centre.

As a reward, the shares have shot up from 352p to 545p in the last five months alone. So is there still time to buy?

Underneath the £68 million of goodwill write-offs - which will become increasingly common under the new FR510 accounting reforms - John Menzies is looking in much better shape.

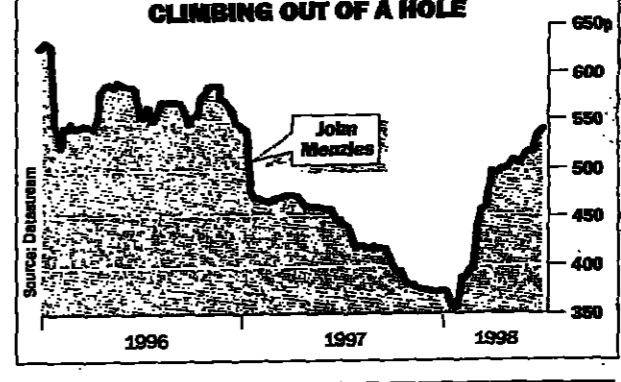
The Wholesale Distribution arm, for so long the backbone of the company, has just renewed all of its long-term contracts, elim-

nating a large amount of risk. The division is a cash cow, generating about £35 million a year. With hardly any debt to service, Menzies has even more cash to build up its distribution arm.

The future of its shares will be dictated by how Mr Mackay chooses to spend this money.

He has already proven his skill as a dealmaker, and the forthcoming European airport cargo-handling contracts should provide plenty of opportunity.

Even without a deal, the shares are now standing on 11.5 times forecast earnings. For a company on its way to double-digit earnings growth, this is cheap.



Low & Bonar

LOW & BONAR has badly sullied its good reputation over the past two years as a series of packaging problems cut its share price, which at the low last year fell to as little as 205p. Although the shares have since recovered to 347.2p, it remains a long way below the 574p peak achieved in 1996.

Having decided to pull out of silage wrap and other poorer performing packaging businesses, Low & Bonar is once again making solid progress, despite the problems posed by the strong pound and the Asian economic crisis. But Jim Heilig, the chief executive, reckons the group managed underlying growth of about 7 per cent. It is on course to make full-year pre-tax profits of £50 million and earnings of about 35.8p.

Although that puts Low & Bonar on a modest rating of less than ten times earnings, the group faces some big

challenges next year. Most importantly, it has to find a solution for the phased loss of its £40 million business making cartons for Kellogg's. One neat solution might be to sell its dedicated plant to the Austrian company that has been prepared to accept the cereal group's demands.

Low & Bonar could also make a move for the substantial cartons business that Waddington put up for sale last month. Such a move could make sense if it helped the group to avoid the squeeze being applied to medium-sized packaging firms.

Although the group has recovered its poise, recession worries mean the shares are no more than a hold.

on an edge-of-town Safeways or Asda once every week or two, consumers are still likely to pop along to the high street when they run out of something in midweek.

Of course, Budgens has not been the only company to see this opportunity. Tesco and now Sainsbury's have been moving back to the high street, while Somerfield is already there, and in a much bigger way than Budgens.

So Budgens should only be bracketed with the big food retailers if it can prove itself their equal as high street retailers. It has proved the opposite in Clapham, where the arrival of a state-of-the-art Sainsbury's has led to

Freudless selling its nearby branch. Moreover, it has yet to prove that the 7-Eleven stores that it bought and renamed b2, are going to make any useful contribution. On close to a market rating, the shares are beginning to look expensive.

Edited by Paul Durman

COMMODITIES

Table of commodity prices including COCOA, ROBUSTA COFFEE, WHITE SUGAR, MEAT & LIVESTOCK COMMISSION.

COMMODITIES

Table of commodity prices including ICI-LOR, GNI LONDON GRAIN FUTURES, RUBBER, LONDON METAL EXCHANGE.

LONDON FINANCIAL FUTURES

Table of London financial futures including Long Gilt, German Govt Bond, Five Year Gilt, Italian Govt Bond, Japanese Govt Bond, Three Mth Sterling, etc.

MONEY RATES (%)

Table of money rates including Base Rates, Discount Market Rates, Treasury Bills, etc.

DOLLAR RATES

Table of dollar rates including Australia, Canada, France, Germany, Hong Kong, etc.

STERLING

Table of sterling rates including AMP Inc, Amstar Corp, Anglo Irish, etc.

OTHER STERLING

Table of other sterling rates including Argentina peso, Bahraini dinar, Chinese yuan, etc.

FTSE VOLUMES

Table of FTSE volumes including ASDA, Abbey Nat, Alliance & Leicester, etc.

EUROPEAN MONEY DEPOSITS (%)

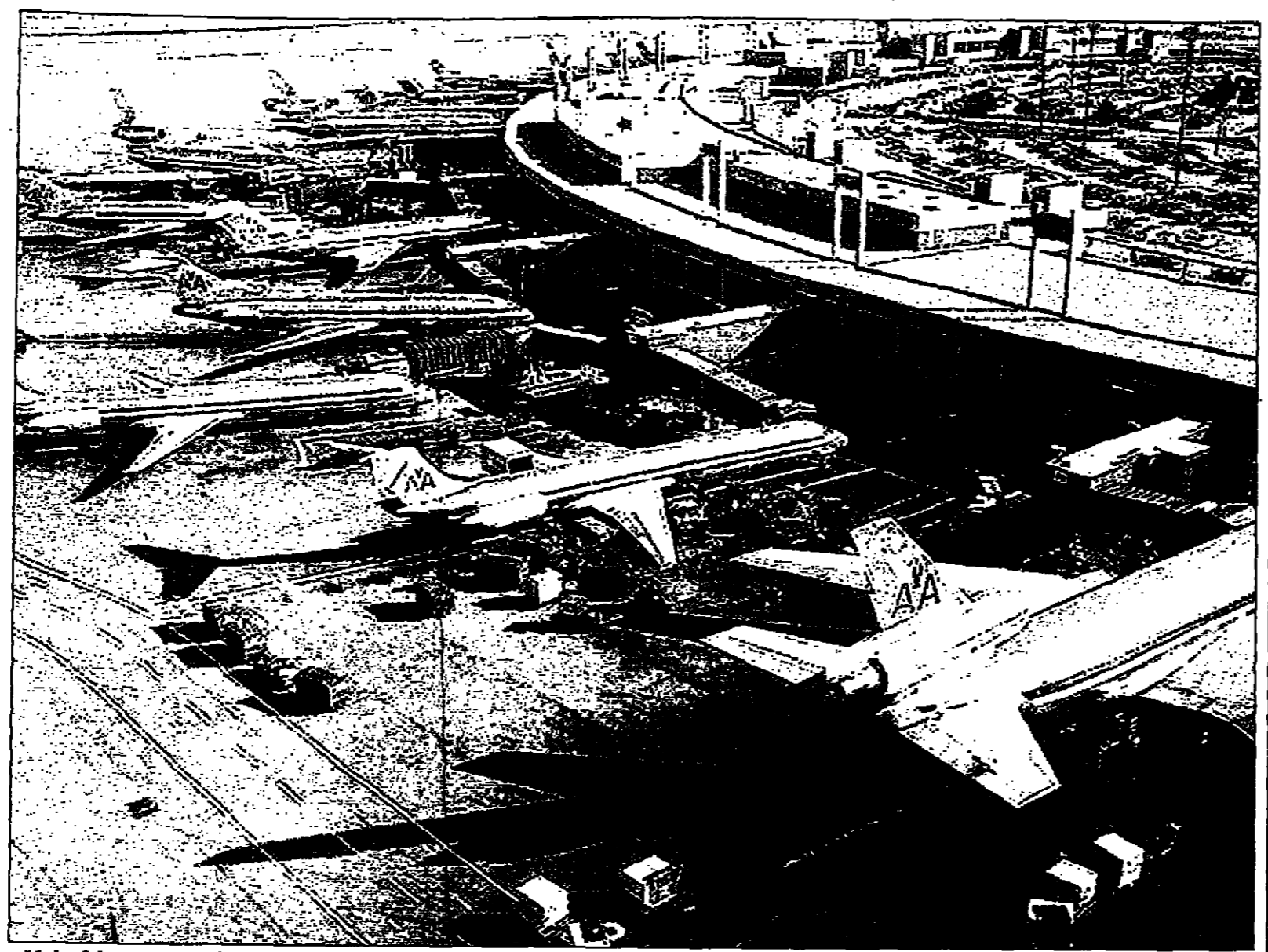
Table of European money deposits including Dollar, Deutsche Mark, Swiss Franc, etc.

GOLD/PRECIOUS METALS (Baird & Co)

Table of gold and precious metals including Bullion Open, Low, High, etc.

STERLING SPOT AND FORWARD RATES

Table of sterling spot and forward rates including Mkt Rates for July, Amsterdam, Brussels, etc.



Hub of the matter: Dallas/Fort Worth, home base for American Airlines, will be one of the airports essential to the success of British Airways

BA flight plan awaits clearance for take-off

Travellers passing through Dallas/Fort Worth airport in Texas, home base to American Airlines, can comprehend the scale of the proposed alliance with British Airways. Aircraft are everywhere, landing side by side on three of the seven runways, or soaring skyward, bound for Denver or El Paso. Silver AA fuselages cluster round the terminal buildings like locusts on a cob of Texan corn. Flights arriving from London or New York interline with onward services in a classic "hub and spoke" operation.

Such is the prize that has hung agonisingly out of BA's reach for the past two years. Regulators in Brussels are expected today to announce the terms by which they will be willing to see BA-AA proceed. This is just the next step — if a crucial one — in a long and tortuous process. Regulators in Washington have yet to deliver their verdict, and the UK and US Governments have still to negotiate a new "open skies" treaty. Without open skies, Heathrow cannot be freed up to the extra competition needed to challenge BA-AA.

For BA, seeking access to the US hinterland, it is a prize worth waiting for. AA's regional carrier, American Eagle, operates 1,400 flights a day to 125 cities. It carried 12.1 million passengers in 1997. This ranks it on a par with the world's seventh biggest carrier. Six out of ten passengers make onward connections with AA, which operates 2,260 daily departures to 164 destinations. An intended domestic alliance with US Airways brings a strong presence on the East Coast.

Faced with such statistics, it is easy to see why rival carriers are so deeply afraid of BA-AA. Even with a reduced presence at Heathrow (achieved through the surrender of slots), the carriers will have an unrivalled grip on the hugely profitable north Atlantic air routes. The alliance that can offer hourly shuttle flights to New York or Chicago — and

BRUSSELS POISED TO GIVE TERMS

REGULATORS in Brussels are today expected to announce the terms by which they are willing to approve the controversial tie-up between British Airways and American Airlines. Jon Ashworth writes. Karel Van Miert, the European Competition Commissioner, will call on the two carriers to divest a significant number of weekly take-off and landing slots at Heathrow in a bid to break their combined dominance of the highly lucrative transatlantic air routes.

Mr Van Miert originally set 350 slots as the price for approving the alliance, but is likely to have considerably modified his stance. A figure as low as 220 slots is possible — much closer to the 196 originally proposed by BA and AA. Mr Van Miert may also call for a "carve-out" on routes on which the airlines are dominant, including flights between London and New York, Chicago,

Miami, Los Angeles and Dallas/Fort Worth. The carriers have threatened to walk away from the alliance if the concessions demanded are deemed too onerous.

BA and AA unveiled their alliance in June 1996, never imagining that it would still be grounded more than two years later. Scheduling restraints mean the alliance cannot now start until the summer of 1999 at the earliest, assuming regulatory approval. BA wins access to AA's extensive route network in Latin America and the Caribbean, not to mention its vast internal US feeder network. AA wins access to mainland Europe. Regulators in Washington are expected to deliver their verdict on the alliance in the autumn. US and UK officials have separately to clinch a new "open skies" air treaty, aimed at opening Heathrow to new US entrants.

from Heathrow, rather than Frankfurt or Amsterdam — could well tip the scales with big-spending corporates such as Walt Disney or General Electric. Anti-trust immunity will allow BA-AA to act as a single entity, substituting aircraft under code-sharing arrangements. Pooling frequent-flyer

programmes will sweeten the package. There is speculation that BA will soon announce a partnership with Cathay Pacific, adding a valuable Far Eastern leg to the alliance.

Much is at stake for both BA and AA. The British flag-carrier wins access to AA's four main hubs — Chicago, Miami, San Juan and

Dallas/Fort Worth — with thousands of daily onward connections. At Dallas/Fort Worth alone, 524 AA and 248 American Eagle services depart every day. AA flies to 70 cities in Latin America and the Caribbean, and is soon to launch a taken US-Japan service, but has no presence in Asia or Africa and only a weak foothold in Europe. Linking with BA provides an unrivalled European feeder network. Not for nothing has AA described the partnership as the linchpin of its international alliance strategy.

BA and AA will benefit from increased frequencies between the US and UK and share in the profits, although measures aimed at breaking their dominance of the north Atlantic will form the core of today's expected package from Brussels. This will largely be achieved by allowing a sufficient number of competing US carriers into Heathrow, although some "carving-out" of routes may be called for. BA and AA together operate 100 per cent of flights between London and Dallas/Fort Worth, for instance.

Don Carty, the AA chairman, and his BA counterpart, Bob Ayling, have tried to appear nonchalant in their musings about the alliance. BA says it is strong enough to carry on alone, while AA says it could cope with a more limited partnership with BA.

The reality is that AA and BA need this deal. The airline industry is repositioning around a handful of groupings, notably the Star alliance, led by United Airlines and Lufthansa, and AA and BA want in. Harness the power of hubs such as Dallas/Fort Worth and the combination will be second to none.

JON ASHWORTH



Long haul: Don Carty, left, and Bob Ayling know that linking up will be a long process

High Toner

SIR Terence Conran and Groupe Chez Gerard's dynamic duo, Neville Abraham and Laurence Isaacson, were among the gong winners at last night's Catey Awards at the Grosvenor House — an annual Oscar-style bash organised by *Caterer & Hotelkeeper* magazine.



Conran: picked up a gong at the hotel "Oscars"

bombed hotel in the world after suffering more than 30 attacks since the 1970s. Mr Toner's award was recognition of his role in reviving not only the building — when he arrived in 1993 it had just been demolished by a 1,000lb bomb — but also its finances.

What a shame that, just as the peace process promised a more certain economic future for the province, the Drumcree protests should paralyse Belfast's roads, making it more than a little tricky for guests to reach the hotel. But there's always a silver lining. Rob Baker, the Europa's deputy manager, said: "We're rapidly filling up with journalists."

HACKS who rolled up at the Savoy Hotel yesterday morning to witness the signing of the historic alliance between the London Stock Exchange and Deutsche Borse were a little bemused to be greeted by the representatives of a third exchange, Nasdaq, the innovative US market which is also negotiating a pact with Frankfurt. A slightly embarrassed Judith Lacey, associate director of



marketing at Nasdaq, emphasised it was simply an unfortunate coincidence that the exchange had decided to hold a two-day investor conference at the hotel. "I am sure this will be in tomorrow's City Diary," she said — and who are we to deny her the privilege?

Hot air

THE beauty of direct mail, I was told recently by one of those dreary marketing wallohs, is that it is quick, efficient and — above all — timely. So full marks to British Gas on the latest offering to plop through my door, which poses the question: "Does your home feel like

Direct action

(Well, now you mention it, it does, but that's owing an Aga for you.) It continues: "Did you know that summer temperatures have, for the past ten years, risen above 85 degrees Fahrenheit?" Fascinating stuff, but my question to Andrew Burling, the general manager, air-conditioning — who sent me this fascinating missive, is: Have you looked out of the window recently?

Care line

THEY'RE a caring lot at Direct Line. Not content with offering comprehensive pet cover, the telephone insurer is today launching a bereavement counselling service and a 24-hour vet helpline for its pet-loving customers. The service is said to provide "practical advice and emotional support for those finding it hard to come to terms with the loss of a much-loved pet". And in a touching testimonial, Pauline Courtts-Smith, a dog owner of Kenilworth, says: "Flissie is 14 years old now but we would be devastated if anything ever happened to her. She's one of the family and the house is run around her. We have even rearranged holidays in the past to be with her when she was ill." So that's one guaranteed customer then.

Direct action

DIRECT LINE also pops up in the latest monthly report from the Advertising Standards Authority. It seems a recent mailshot by the company on the subject of mortgage commission has upset those sensitive souls at SIG Skandia and Broker Direct by having the temerity to denigrate insurance brokers by likening them to a band of pick-pockets. Sounds a perfectly sensible suggestion to me and, needless to say, the complaint was rejected by the authority.

DOMINIC WALSH



"Does this mean we have to share the subbeds?"



Brown should stop fighting inflation to give growth a chance

THE monthly ritual starts again. The Monetary Policy Committee begins its two-day meeting today. It may or may not raise interest rates again tomorrow. In two weeks we will find out who voted what in June, when rates were raised. In another six, we will be able to pick apart this week's decision. At the start of August industry will rush out doleful surveys of life at the sharp end to head off thoughts of raising rates again.

When Gordon Brown handed control over interest rates to the monetary policy committee (MPC), he wanted to remove the drama and cult of personality that made the Ken and Eddie show such fun for easily amused observers of such things. Fat chance. The Chancellor's bid for transparency and accountability means that we have nine story lines to follow and the whole process is even more of a soap opera.

Quite the dulllest aspect of the current debate is whether another 0.25 per cent or 0.50 per cent might be needed before the peak in interest rates is reached. The truth is probably that, because the rate rise in June was so unexpected and dealt such a blow to confidence, no more monetary tightening is needed to persuade consumers that the party is winding down. In any case, the impact of the Asian crisis is likely to prove a far more effective dampener than a small move in interest rates.

More interesting food for debate is whether Gordon Brown's concept of economic management is workable. He has neutralised fiscal policy as a tool of demand management and left the role entirely to monetary policy. The only job of Government appears to be tinkering with the supply side. This means that the two-speed economy has been exacerbated. Because Mr Brown refused to use fiscal policy imaginatively to target consumption, the villain of the piece, the blunt instrument of interest rates and an overvalued exchange rate has had to do the job instead.

If Mr Brown's concealed motivation was to set up a

structure that mimicked monetary union in order that Britain would be ready to join, it has backfired dreadfully. Far from the exchange rate being a source of stability, a solid rock on which economic prosperity can be built, the currency in Britain is the prime source of economic instability. This is because the MPC regards the exchange rate merely as an anti-inflationary tool. Without any helpful back-up from fiscal policy, this means that the currency is bound to be damagingly volatile.

The most fascinating and deeply worrying aspect of Mr Brown's first year is that it is now evident that Conservative macroeconomic priorities are alive and well. Fighting inflation is still far more important than promoting employment. The MPC has been given the narrowest of remits. The

ous and known distortions because of the bunching of bonus payments which the MPC seems determined to discount. Driving up interest rates in itself pushes up headline inflation, giving wage negotiators a higher level to tilt at. Last but not least, there is no automatic reason why higher earnings will lead to higher inflation. It is quite evident that companies are choosing to pay more out of their profits in order to retain, and even reward, their staff. This is as it should be after many fat years for corporate profits and shareholders.

In the current uproar about earnings, there seems to be almost a sense of distaste that some employers are getting more money as the fruits of their labours. Professor Robin Marris, the author of *How to Save the Underclass*, says that bankers like low inflation and that the middle classes, secretly, do not like "overfull" employment. "If you can make the poor better off by education, education, education, their employers also benefit. But if you make them better off by maintaining a high macro demand for labour, their relative wages rise which means that the relative real income of the rest of the population falls."

Of course, runaway inflation is damaging and booms and busts lead to the permanent destruction of capacity and jobs. But nothing as dramatic as this is in the pipeline for Britain in the late Nineties. Remember that inflation is not at 10 per cent but somewhere between 2 per cent (as measured by the harmonised index of consumer prices used throughout Europe) and 4 per cent. Even a hard landing is not going to be anything like as crushing as those experienced in the early Eighties and the early Nineties.

There really is no need to panic and every reason to regard late cycle earnings acceleration as a natural product of economic success, a last gasp before the slowdown comes. The balance of power between employers and employees is going to be very different next year.

6 We clearly have no Alan Greenspan to serve the interests of the workers?



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THE TIMES WEDNESDAY JULY 8 1988. Includes various advertisements and notices on the right margin.

Equities ahead as gilts falter

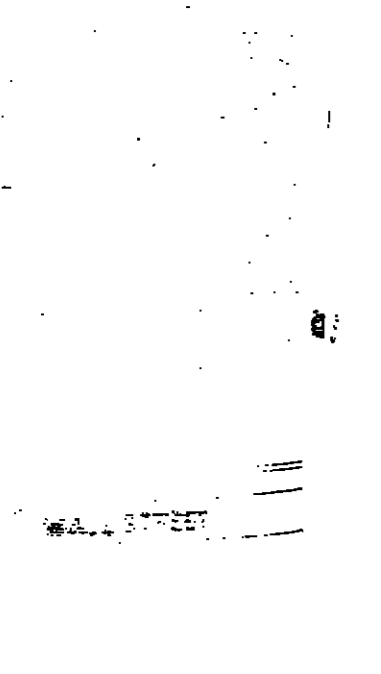
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THE TIMES ARTS



MUSIC
Brendel's epic
Beethoven
achievement

THEATRE
Lots of laughs
for Loot at
Chester



Big smash or just a monster mishmash?

It's earned millions already, but the making of *Godzilla* was fraught with problems. Lesley O'Toole reports

The way Sony Pictures' Hollywood rivals tell it, *Godzilla* is a flop in America. With the coveted May 25 Memorial Day weekend release slot reserved well in advance, *Godzilla* was projected to eclipse *Lost World's* 1996 record opening of \$90.3 million for the same period. In fact, it took *Godzilla* two weekends to surpass that. Currently, the film is the fifth most successful in America this year, behind *Titanic*, *As Good As It Gets*, *Good Will Hunting* and the asteroid disaster film *Deep Impact*. *Godzilla's* more than \$132 million is not to be sniffed at, but unfortunately Sony Pictures' marketing slogan for the film — "Size does matter" — promptly rebounded and bit the studio hard where it hurt. Good advance buzz is an intangible commodity coveted

by the Hollywood studios. Yet *Godzilla* had no buzz, simply because there was no marketable image to get excited about before the film opened. The producer, Dean Devlin, went to such lengths to keep his and director Roland Emmerich's creation under wraps that they issued fake drawings to potential licensees; a different one for each so that a leaked image could be traced. Devlin still defends the strategy. "I was didn't show the shark ahead of time, they never showed the alien before *Alien* was released, and we never knew what the spaceship was going to look like in *Close Encounters*. But when we do the same thing, it's a really big deal." If the *Godzilla* created by Devlin and Emmerich had not been so radically different from the cheesy 1950s monster who first bore the name, the obsessive

secretory would not have been necessary. "We had so redesigned the creature and spent so much money, we didn't want him previewing as a chocolate bar or at a toy fair." But perhaps American audiences wanted to see the camp, lumbering *Godzilla* from the original Japanese films. Devlin says that he and Emmerich made that very point to Sony Pictures. "We told them that what made *Godzilla* fun was the very fact that he was kitschy, campy and cheesy." Sony, though, retorted that kitsch did not figure in its game plan. Having finally committed to the project once the Japanese licence holders of *Godzilla* approved their drastically redesigned monster, Devlin and Emmerich laid down their own requirements. These are believed to have included more creative control than studios generally relinquish. One direct result would seem to be that top-level studio executives did not glimpse a print of the film until a week before its American release. Had they been disappointed, little or no corrective action would have been possible. While half the fun of Hollywood is never knowing what an audience will lap up, the studios do everything they can to second-guess filmgoers' reactions. Test screenings are an integral part of most expensive films' battle plans and audience reactions have been responsible for many substantial changes made in a film before it is released.



Scaling the heights: despite gargantuan box office in its opening week, Sony Pictures' *Godzilla* has been criticised for not being big enough

weaknesses thus: "It had no emotion, no interpersonal stories and no characters you cared about. The real question is, have we now exhausted this thing called special effects?" Clearly, a modicum of sour grapes may be involved here. In the past couple of years, Sony Pictures' profile has changed substantially from Hollywood also-ran to enormously buoyant market share leader. The phenomenal success of films such as *Men In Black* and *My Best Friend's Wedding* put Sony on top last

summer. It was assumed that *Godzilla* would prolong Sony's stay there. The best-reviewed special-effects film of the summer to date — *Deep Impact* — placed as much emphasis on the human aspect of the story as the computer-generated one. While Devlin agrees that the reported \$120 million budget for *Godzilla* is in the ballpark, he insists that he has extracted the maximum bang for his buck. "People who've spent twice as much as us on effects don't have half what we have."

Godzilla has yet to plant his humungous footprints on many international territories. To date, the film has opened in only nine international markets, not including most of Europe or Japan. The *Los Angeles Times* reported in early June that *Godzilla* could make a small profit for Sony. In fact, the profit will probably be gargantuan after all, though not as large as *Godzilla* himself might have hoped. *Godzilla* opens in Britain on July 17.

Apple pie order

UNLIKE some of the other summer festivals, blighted by bad weather or just a plain lack of interest, *Meltdown 98* has quietly become an unexpected success. Starting out as a classical music festival in the early 1990s, it strayed into rock 'n' roll in 1995 and has confirmed its new direction with John Peel's *Meltdown 98*.

Covering everything from music and comedy to spoken word and film, the eight-day event gave some indication of the Radio 1 DJ's eclectic cultural tastes. Among the highlights were a series of complementary double bills, such as Spiritualized and Sonic Youth, which culminated in the latter's Thurston Moore and Kim Gordon playing with Jason Pierce and his band, and Suicide and the Jesus & Mary Chain, who were joined by their original drummer, Primal Scream singer Bobby Gillespie, for an encore of *Sometimes Always*.

The final night promised to be the most interesting, since it featured the pairing of Blur's Damon Albarn and Graham Coxon with American synthpop pioneers Silver Apples. The duo's weird psychedelic sound was derived from an obscure piece of machinery called an oscillator, which lead singer Simeon fashioned into a home-made synthesizer. Simeon, dressed in black hat and shades, looked just as off-the-wall as his instrument. Like some surreal *Dr Who*, he pressed buttons wildly to make whooping noises. The only other instrument that Silver Apples used was drums, though the kit was custom-built to look as if it had also come from another time zone. Opening with *You and I*, they played many of their best-known songs, including the venomous *A Pax on You* and their signature *Oscillations*. Their set ended with a stunning version of Blur's *Song 2*, which was the signal for Albarn and Coxon, plus a saxophonist, to join them on stage for three instrumentals. Albarn insisted that nobody really knew what they were doing, but it still sounded great.

ANN SCANLON

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Alfred the ever greater

THE Cheltenham Festival took a risk in engaging Alfred Brendel to perform all five of Beethoven's piano concertos. The danger was not so much that the concert would not sell as that, having spent its money on high-profile Beethoven, the public might not buy tickets for other festival events. In fact, it has had the opposite effect. Tickets have been selling well and will surely sell even better now that the first of the three Beethoven concertos has created such a stir. The *Sinfonia Varsovia*, which is accompanying Brendel, is not the most expert of chamber orchestras, but Volker Schmidt-Gertenbach conducts sympathetically and the instrumentalists take such a lively interest in what the soloist is doing that, even if ensemble is insecure, there is a like-minded dedication to the project. Brendel's relationship with Beethoven is not, however, without its anomalies. His understanding of the music is so mature that the greater it is, the more inspired the response. That much was clear in every note in the solo part of the *Piano Concerto No 4 in G*. The problem arises when the music is not so great, when the intellectual rigour focuses on material where there is little to

grapple with. This was the case with the *Piano Concerto No 1 in C*, which, falling short of the interpretative objectives applied to it, would have been happier with more of the spontaneous indulgence it enjoyed in the last movement. True to his policy of including a contemporary score in every concert, the festival director, Michael Berkeley, chose to present the first professional performance of his own *Gethsemane Fragment* between the two Beethoven concertos. A dramatically expressive *scena* for strings only, it clearly appealed to an orchestra which has met this kind of scoring before in music

by such compatriots as Penderecki and Lutoslawski (though probably never with an echo of Tippett as well) and which was equipped to give a movingly eloquent account. *Veilleuse*, the Berkeley piece given its first British performance in a rewardingly substantial morning recital by Tassina Little and Martin Roseoc in the Pitville Pump Room, derives from a discarded *Violin Sonata* written nearly 20 years ago. It has an atmosphere as palpable as that of *Gethsemane Fragment* — as the violinist demonstrated in a performance that should reaffirm the composer in his longstanding intention to write a concerto for her. GERALD LARNER

WITHDRAWN

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Bebop's legends are in his hands

Because his music was used for Britny Norman's *Film 99* television programme, Billy Taylor is one of the few jazz pianists whose work is instantly recognisable to a wide cross-section of the British public. Nevertheless, although he is a household name in America, having presented and played on several long-running radio and television shows, Sunday's Wigmore Hall recital was Taylor's UK debut, just a few days short of his 77th birthday.

What he delivered was a jazz piano masterclass, his opening piece largely played with his left hand alone, before embarking on a rollicking rollercoaster of two-handed improvisation built around the notes C, A and G. His ballad, *Theodora*, written for his wife, altered the mood to a hushed ballad setting, Taylor matching his pianistic skill with a composer's ear for a lyrical melody line.

As house pianist for many years at New York's Birdland club, Taylor played with everyone and anyone on the emerald-betop scene, but says Art Tatum and Billy Strayhorn were the two pianists who had the most influence on him. Shades of Tatum were everywhere in his fleet, faultless runs at the Wigmore Hall, scurrying from top to bottom



of the keyboard at impressive speed, and catching nuances of passing chords and substitute harmonies on the way. His affection for Strayhorn came out in a measured version of *Lush Life*, through the haunting beauty of the piece and his recreation of Strayhorn's chord voicing.

Taylor was in on the birth of bebop, working alongside Dizzy Gillespie and Charlie Parker, and in Parker's *Confirmation*, each of his hands took on the character of one of those heroes, and he traded phrases between left and right as if he had divided himself into two musical personalities.

For the encore, he was joined at a second piano by Jason Rebello, who had opened for him, notably in a barnstorming medley of television themes. Ideas darted between the two players, bringing shrieks of delight from the audience as ever more daring runs and riffs were picked up and developed in a consummate demonstration of the art of piano jazz improvisation.

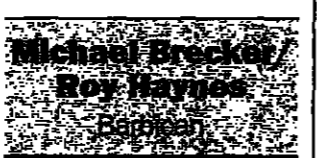
ALYN SHIPTON

A blast spoilt by muffling

Although mouthwatering enough on paper — one of jazz's greatest saxophonists, Michael Brecker, playing opposite one of the music's genuine living legends, drummer Roy Haynes — this double bill delivered even more than it promised (sound problems aside), leaving a wildly enthusiastic audience baying for more.

Haynes, who was touring with Lester Young at 22, and who then played with all the top legends, including Charlie Parker and Bud Powell, before working with everybody from Sarah Vaughan to John Coltrane in the 1950s and the 1960s, is now 73, but his energy and sheer musicality remain triumphantly undimmed. Leading a trio that also comprised Panamanian pianist Danilo Perez and bassist John Patitucci, Haynes provided an object lesson in tasteful propulsiveness, whether softly urging the band through the graceful mid-tempo waltz of Harry Warren's *Summertime* or underpinning all the rhythmic delicacies of Perez's arrangement of Thelonious Monk's *Bright Mississippi*.

Perez has set Monk's jaunty, eccentric reworking of *Sweet Georgia Brown* to the most delicate and ambiguous of Latin rhythms, and the tension between the vigour of the typically clanky Monk theme and the soft lilt of its arrangement was a sheer delight. Unfortunately, however, nobody heard it, as the sound man there, despite his billing as leader, Haynes actually wanted the rest of his band to be audi-



ble, so the considerable virtuosity of both Perez and Patitucci was only just discernible.

The angry complaints of some audience members clearly had their effect, for all the Brecker quartet — Brecker, plus pianist Joey Calderazzo, bassist James Genus and drummer Ralph Peterson — was at least audible for most of the time after the interval, even if the piano's top notes were often lost in the crackle of an over-treble mix. Brecker himself was relaxed, but attacked the various selections from his two recent Impulse! albums, *Tales from the Hudson* and *Two Blocks from the Edge*, with his customary high-energy garrulity.

The set concourse was provided by a contrasting pair of Calderazzo themes, the Latin-inflected *El Niño*, which prompted seething solos from both its composer and Brecker, and the more contemplative *Car's Cradle*, which perfectly complemented the vigorous tear-up, *Delia City Blues*, that followed.

Ornamented by a suitably relevant solo tenor visit to John Coltrane's *Naima* and culminating in a wonderfully informal encore romp during which Peterson played brightly fluent trumpet and Brecker jocularly replaced him on drums, this was a superb set.

CHRIS PARKER

Is the Royal Opera House only paying 'lip service' to education? Andy Lavender investigates

If there was a World Cup for own goals, it would surely be won by the Royal Opera House. Last week the embattled institution, still reeling from the scurrilous criticisms aimed by Sir Richard Eyre's report, scored yet again at the wrong end. The outgoing director of opera, Nicholas Payne, had appointed Janet Robertson as the new head of opera education. Robertson arrived for her first day's work, only to find that she had been ordered off the pitch even before taking her place in the team. The red card had been brandished by the ROH's chief executive, Felham Allen.

Her offence? According to Judy Graahme, the ROH's director of external affairs, Allen "felt that she was starting work with a very negative attitude. She seemed to encounter quite a lot of problems in the work." Given the recent history of the opera house, that might suggest a degree of clear-sightedness on Robertson's part. Nonetheless, Allen's arm moved faster than a Fifa referee's in France.

The rest is history. Robertson claimed that Allen had previously observed to her that the ROH's education work was "nothing more than lip service". This explosive comment would constitute a glorious hat-trick of own goals willed with spectacular agility all at once. For as everyone knows, the ROH has been granted more than £78 million of lottery money towards its redevelopment. And as almost everyone knows, every bid to the Arts Council for lottery funding for capital projects must satisfy Criterion 4, concerning the quality of plans for education and marketing.



An open door to a brighter future, or merely a piece of window-dressing? Royal Ballet School teachers work with a group of six-year-olds from London

Seeding in the Garden

Pauline Tambling, the Arts Council's director of education and training, and until six months ago head of opera education at the ROH, nods her head at the ROH, nods her head at the ROH. "In the early 1980s the Arts Council suggested to organisations that we do educational work. We've clearly been through a period when they have been finding out what they can do. It's very common for the people who are running organisations not to see the validity of this work. There needs to be someone on the artistic side of the opera house, at a senior level, who's going to take a lead in education work. When I've seen that elsewhere, the work thrives."

On the shortlist for the job

will surely be Darryl Jaffray, the ROH's head of ballet education for the past ten years. Amid the surrounding upheaval her department has quietly been getting on with its work, unglamorous and doubtless undervalued. She outlines its range of activities, including the schools matinee performances with related study days, the teachers' days and the introductory workshops.

The *Behind the Scenes* scheme, temporarily suspended during the theatre's closure for rebuilding, provides the opportunity for 120 young people of school-leaving age to spend a week learning about most aspects of the House's operation.

Monday Moves provides

dance classes and visits to productions for the blind and partially sighted.

Jaffray talks animatedly about a large project which she organised in Eastleigh about six years ago, which saw more than 500 children and students participate in two productions, and resulted in the town council winning a lottery bid to develop a danced performing space. The feather in the cap is probably the *Chance to Dance* scheme, instituted in 1991 with the collaboration of dancers and teachers from New York's Dance Theatre of Harlem.

"Each autumn we do a period of lecture-demonstrations in a range of schools and then

have auditions for the children," Jaffray explains. About 40 seven-year-olds are selected at the two centres, the inner-city boroughs of Lambeth and Hammersmith. "We knew that if the audition process worked as we expected — and it has — it would prove that talent is across the range of ethnic backgrounds."

The children take weekly classes during term-time over two years. Their families are also involved, going to Royal Ballet and Opera performances and associated events. Such has been the success of the project that a number of children have simply kept going. One day one of them might pirouette across the ROH boards — but if not it hardly matters, for *Chance to Dance* still fosters respect for an easily maligned art form, and for the participants themselves.

It would be easy to describe this as a bit of window-dressing, or indeed "lip service", homing in as it does on ethnically mixed areas with the zeal of a Victorian missionary. Of course the photos of black and Asian children skipping in the air are a great advert for the all-inclusive and socially con-

sious ROH of the future. But even if such scepticism were valid, it is the right window and the right dressing. "Someone's come along and said, 'He's good at something,'" says Lisa Kelly, whose eight-year-old son Rico prompts approving comments from the ballet experts. He and his classmates gallop, to mixed effect, across the floor of a community hall round the corner from the Queens Park Rangers football ground in London's White City. "I would never have thought of putting him into ballet class," says Rico's mum continues. "You're just happy that they are getting the opportunity."

The paradox is that such work has been going on for years. Goals were being scored at the right end, and hardly anybody knew about it. "The opera house has had one of the biggest programmes of education in the world," says Tambling. "It's not a question of public relations. And there is the potential in the new house for a world-class education operation with an imaginative, holistic view as to how the art form works." It is, as they say, a game of two halves.

Atiresome demand? The ROH denies that Allen made the "lip service" comment. But its spirit seems deliciously redolent of the unreconstructed House of Il-Repute.

"The education department is vital, and we have a commitment from Felham and we totally agree with his recommendations in the report, that we should have someone responsible for education at an executive level." The current Byzantine structure, where there are separate heads of ballet and opera education, is likely to be changed so that there is one overall head operating at senior management level.

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Anarchy tickles the Home Counties

Chichester audiences are sometimes accused of inhabiting an airless limbo where merit consists of the dear old Denisons playing dukes and duchesses in drawing-room comedies. But they responded happily to *Loot*, Joe Orton's most successful attempt to goose his bourgeois audiences. Indeed, they were laughing so much that some of my favourite exchanges went for less than they should:

Inspector Truscott: Have you never heard of Truscott of the Yard? The man who tracked down the limless girl killer? Or was that sensation before your time?

Hal: who has disguised his mother's corpse as a sewing dummy, and is hiding the proceeds from a bank robbery in her coffin. Who would kill a limless girl?

Truscott: She was the killer.

Hal: How did she do it if she was limless?

Truscott: I'm not prepared to answer that question. We don't want a carbon-copy murder on our hands.

If David Grindley's consistently lively cast has a problem, it is that it sometimes behaves as if it was in a studio at TV Centre and we were watching our telly sets miles away. It has yet to acquire the expertise of timing that the play's verbal invention, which is exuberantly Wilde as well as wonderfully wild, demands. Fred Ridgeway's Truscott is every inch the parody detective — from mac to felt hat, from turkey-cock strut to professional sneer — but he allows that last sentence to be drowned by the audience's enjoyment.

Still, you cannot miss the play's anarchic tenor. Gary Ri-

chards's pious old McLeavy may strike conventional attitudes over his dead wife, whom he thinks is waiting to be buried in her WVS uniform beneath a wreath from the Friends of Bingo; but he is little fonder of her than her bank-robber son (Gary Whitaker), his gay accomplice (Alexis Corran), or the serial-killer nurse (Tracy-Anne Oberman) who tended her, got her to change her will, and then poisoned her. Among the targets of Orton's fun are death, religious pretension, social hypocrisy — and, of course, the police.

Would you believe a senior policeman who lies, bullies,

threatens, and uses physical violence in order to perpetuate his legend as a great detective, and, having uncovered murder and robbery, not only silences for one fourth of the booty but pins the crime on the innocent McLeavy? Well, this audience seemed to. "But the police are for the protection of ordinary people," wails his victim. "I don't know where you pick up these slogans," replies Truscott. And Chichester roared.

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RUGBY LEAGUE

Broncos begin to cut back on staff

By Christopher Irvine

LONDON Broncos yesterday began their promised clear-out of unwanted Australian players after a poor first half of the JJB Super League season. They released Darren Higgins and Abraham Fatonwa and Tony Currie, the coach, said that they would not be the last.

Mark Carroll, the former Australia prop, seems certain to survive the cut, despite criticism of his performance since he joined the Broncos from Manly earlier this season. However, Higgins, a forward signed from Perth last year, and Fatonwa, a utility back, originally from Brisbane Broncos, are set to be followed by three or four more, as Currie urgently remodels his squad.

Nigel Wright, the former Wigan stand-off half, who was released because of a succession of injuries, could have his career resurrected by London, who are also having to recruit again from Australia, albeit reluctantly. "It's necessary while our young London talent continues to develop," Currie said.

The image of the Australian game generally, and particularly that of Newcastle Knights, the Australian Rugby League champions last year, was further tarnished yesterday by a fourth positive test for performance-enhancing drugs, this time involving Adam MacDougall, the wing. MacDougall, 23, who has been stood down by Newcastle, is now awaiting tests on a second B sample and his natural testosterone level. MacDougall's A sample showed traces of two banned substances — ephedrine and amphetamine — coupled with an epitestosterone level consistent with steroid use.

FOOTBALL: FORMER ENGLAND CAPTAIN CALLS TIME ON SUCCESS-FILLED CAREER AND AIMS FOR MANAGERIAL ROLE

Platt decides to take his bow as a player

By David Maddock



On his way: Platt will travel the world in search of knowledge

DAVID PLATT is not a man for surprises, but he managed to astound the football world yesterday by announcing his retirement. Platt was expected to continue playing for one more season with Arsenal, but said yesterday: "I feel the time is right to go."

The 32-year-old former England captain had a year left to run on his Highbury contract, and had talked earlier in the summer of his desire to play in the European Cup. It seems, though, that time has caught up with the player who based his game on an ability to run almost beyond the limits of endurance.

It is a surprise, not least because players tend to extend their on-field careers well into their thirties. Platt was hardly a central figure in Arsenal's double-winning campaign last season, but still managed more than 30 appearances for the club, including a cameo as a substitute in the FA Cup Final.

The former Manchester United, Crewe Alexandra, Aston Villa, Bari, Juventus and Sampdoria player believes that he has made the right decision. "I wanted to go out at the top, and there is no better way to finish than on the back of last season's magnificent achievements," he said. "It was a tough decision, but the right one."

"I could have gone elsewhere, but I have had a great career as a player, and I think the time is right to move on into management. When I told Arsène Wenger [the Arsenal manager], he wished me good luck and said that I was making the right decision. I will miss Arsenal. I have had a great time here, the supporters have been magnificent and the players and staff have been a joy to work with."

Platt began his career at Old Trafford, but failed to make the grade, and found himself making his Football League debut at Gresty Road, for Crewe on a wet Saturday afternoon against Mansfield Town. Even then, his running power impressed Dario Gradi, his manager. "It was his athletic ability that always stood out, he could run and run," Gradi said. "He was a good player who kept on improving and that was his greatest asset — his ability to keep learning."

Platt came to prominence when he scored a dramatic late goal for England against Belgium in the 1990 World Cup finals, and went on, in terms of combined fees, to become the most expensive player in the world. Three Italian clubs paid a total of nearly £20 million for him and his complete series of transfers amounts to more than £22 million.

It is to management that Platt now turns, and he has a novel approach to learning the ropes. "I believe the step in turning from a player into a manager is much bigger than most people recognise, and needs a proper preparation," he said. "I intend to spend an intensive period learning as much as I can, and that means travelling for the best coaches and the big clubs."

Wenger may have given his blessing to Platt's departure, but he is less happy to allow Ian Wright to head for the Highbury exit. The England forward spoke this week of looking to move elsewhere, and, with Nicolas Anelka ahead of him, and Arsenal pursuing Patrick Kluivert, it seems that his days are numbered.

Wenger yesterday insisted that he wants Wright to stay. "I want him to carry on," he said. "We have a big challenge in Europe next season, and he can contribute to it. I want what's best for Ian Wright, he's a legend at Arsenal and we will be chatting next week."

Liverpool have failed in their attempt to lure Taribo West, the Nigeria international defender, to England. The FA Cup Premier-ship club had agreed a £5 million fee with Internazionale, the player's club, but the 25-year-old failed to turn up for talks yesterday. Peter Robinson, the Liverpool chief executive, said: "It seems that, after further discussions, with the Inter president, West was persuaded to stay. We don't believe it was about money, but simply because they could offer Champions' League football."

Stuart Ripley has completed a £1.2 million transfer from Blackburn Rovers to Southampton. Julian Joachim has agreed a new five-year contract with Aston Villa that will earn him in excess of £1.5 million.



Staying put: West looks likely to remain with Internazionale

EQUESTRIANISM: BADMINTON WINNER SEEKS £20,000 PRIZE AT ROYAL INTERNATIONAL HORSE SHOW

Bartle's stylish display proves a bonus

CHRIS BARTLE, riding his Badminton winner, Word Perfect II, moved a step closer to a possible £20,000 bonus prize when he went into the lead at the end of the dressage phase of the Horse and Hound eventing grand prix at the Royal International Horse Show at Hickstead yesterday. Lucy Thompson, of Ireland, the former European champion, is second on Welton Molecule and Pippa Funnell, of Britain, is third on The Tourmaline Rose.

The competition, the latest innovation of Douglas Burn, Hickstead's owner, and his co-director, Paul Schockemöhle, was designed initially to promote eventing. However, sev-

eral leading showjumpers, including Michael Whitaker, of Britain, then volunteered to take on the event riders, adding an extra frisson.

Bartle, 46, who fulfilled a lifelong ambition with his win at Badminton in May, had initially been apprehensive about competing but the offer of a £20,000 bonus by British Equestrian Insurance Brokers — if the winner of Badminton went on to win at Hickstead — proved impossible to resist. "I'm too much of a Yorkshireman not to have a crack at a prize like that," Bartle said.

Word Perfect, a 10-year-old by Lesicon, could not have been more obliging yesterday.

By Jenny MacArthur

Apart from one small mistake in the extended trot, he was impressive throughout.

The showjumpers, inevitably, had a more taxing time in the dressage arena. "It's not the movements which are difficult because we do those in everyday work," Rodrigo Pessoa, Brazil's World Cup winner, said. "It's the difficulty of putting them all together in a test." He took the wrong course several times on his 10-year-old stallion, Korsar, before settling in to a competent test.

Whitaker, who has laid a £2,000 bet with Schockemöhle that the showjumpers will

beat the eventers, looked very much the part on the Belgian-bred Graceland Cavalier — a horse he has sat on only twice. The pair acquitted themselves well, scoring 51.87 per cent.

But the dressage scores may seem irrelevant after the testing, 28-fence cross-country course, which looks set to prove equally demanding for eventer and showjumper alike. Bartle, after his first sighting of it, said: "It makes Badminton look easy."

Robert Lemieux, the former Olympic rider who retired last year, is responsible for the design of the cross-country part of the course, which is an unusual mix of serious cross-country fences and less innoc-

uous-looking rustic fences. Several of the fences knock down, including Fence 14. At 4ft 3in, it is the maximum height allowed.

Pessoa spent several minutes wondering how to tackle the double course of palisades at No 13, a fence that has an improbably tight distance between the three elements. Despite the head-scratching, he was complimentary about Lemieux's handiwork.

"It's a good course — different but fair. I just hope I come back all in one piece," he said.

THE HORSE AND HOUND EVENTING GRAND PRIX (other dressage): 1, Word Perfect II (C Bartle, GB) 68 per cent; 2, Welton Molecule (L Thompson, Ireland) 66 per cent; 3, The Tourmaline Rose (P Funnell, GB) 65.60 per cent.

THE TIMES

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30p

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CHANGING TIMES

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POLO

C S Brooks outclass Cowdray Park visitors

THE Veuve Clicquot British Open contest proceeded yesterday on Brook Johnson's pitch at Ambersham, Sussex, with the League B encounter between Cowdray Park and Johnson's squad, C S Brooks, who won by 13 goals to five (John Watton writes).

C S Brooks had the distinct advantage of fielding a No 1, Luke Tomlinson, who is slightly under-handicapped, and a Back, Sebastian Dawray, who is patently so. The Cowdray side could not resist the onslaught of the Novillo-Astrada duo, who provide the power base of the Brooks team and displayed magnificent ball control. Adam Buchanan, the star of Cowdray Park, looked as

though he should be moved forward in their line-up, with Alan Kent taking his place at Back. The Wade brothers, Johnny and Adrian, filling the forward slots, proved grossly inaccurate in front of goal.

After half-time, with the score 6-3, the pace was set by the Novillo-Astradas, Xavier converting two penalty goals in the fourth chukka, and his brother, Miguel, scoring in the fifth and sixth. Cowdray Park were outclassed.

TEAMS: C S Brooks: 1, L Tomlinson (M), 2, X Novillo-Astrada (B), 3, M Novillo-Astrada (B), Back: S Dawray (2), Cowdray Park: 1, J Wade (5), 2, A Wade (6), 3, A Kent (8), Back: A Buchanan (6)

CORONATION CUP TEAMS: Windsor, July 25, ENGLAND: H West (6), 2, W Lucas (7), 3, H Hammond (7), Back: A Hine (5), OGLE: 1, J O'Connell (7), 2, J Corde, Hudders 16, 3, G Darroch (8), Back: J A Hurmle (7)

FIXTURES

CRICKET

NatWest Trophy Second round 10.30, 80 overs

CARDIFF: Glamorgan v Lancashire

BRISTOL: Gloucestershire v Surrey

SOUTHAMPTON: Hampshire v Essex

OLD TRAFFORD: Lancashire v Yorkshire

SOUTHGATE: Middlesex v Durham

TRENT BRIDGE: Nottinghamshire v Somerset

EDGBASTON: Warwickshire v Kent

EDINBURGH: Scotland v Derbyshire

Tour match 11.0, one day

AMSTERDAM: Holland v South Africa

SECOND XI CHAMPIONSHIP: Second day of test, Sunday, Warwickshire v Worcestershire. First day of three, Poppy Lane, Durham v Sussex, Chislehurst, Essex v Northamptonshire, Canterbury, Kent v Lancashire, Harrow, Middlesex v Derbyshire, Taunton, Somerset v Nottinghamshire, The Oval, Surrey v Glamorgan, Tottenham, Yorkshire v Hampshire

SHIROR COUNTIES CHAMPIONSHIP: First day of test, Fenner's, Cambridgeshire v Cumberland, Christ Church, Oxford, Oldham/2nd v Cornwall

OTHER SPORT

EQUESTRIANISM: Royal International Horse Show (at Hickstead)

SPEEDWAY: Elite League: King's Lynn v Wolverhampton 7-65, Premier League: Hull v Glasgow (7-30)

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مكتبة من الأصل

No end in sight to grand prix drought after 122 races without a victory

Tale of woe tests Jordan optimism to the limit

By Kevin Eason

THE familiar grin was missing and the hand swept across the brow as he considered just how far and how quickly his hopes had fallen in eight races. Even the considerable optimism of Eddie Jordan has been stretched by disappointments and mishaps in his team this year. The word crisis is overused in a sport in which fortunes see-saw rapidly, but Jordan has been as near to crisis as can be.

So much so that Gary Anderson, the designer, has missed the past two races to devote all his time to devising improvements to the cars for this weekend's RAC British Grand Prix. The revisions are virtually all aerodynamic as Anderson tries to recapture the winning potential the team showed last year.

The switch from Peugeot engines to Mugen-Honda has not been smooth and Jordan has asked helplessly as his drivers were virtually sidelined from the start. "Very often you can just get things wrong for whatever reason," he said, "but we hadn't understood how difficult changing engines would be and how our understanding of that would have to grow." Sending Anderson into a period of engineering purdah underlines the urgency with which Jordan needs results.

Last week, the team recruited Mike Gascoyne, the Tyrrell designer who invented the infamous X-wings that were banned earlier this year, to step up the design effort. Jordan will hope that this is not too little, too late.

The season started full of promise with Damon Hill, the former world champion, hired to lead the enthusiastic troops. Ralf Schumacher, the young gun, was in support. The arrival of Hill appeared to be the last brick in the wall, holding out the tantalising prospect of a maiden victory after seven seasons and 114 races.

Nothing could have been further from reality, for the



Jordan and Hill had high hopes after teaming up but reliability problems have forced the driver to grit his teeth

Hill has issued dark threats that he will walk out at the end of the season unless life improves while there is a big doubt over the future of Schumacher. He has proved reckless and has managed only three finishes in eight races.

Jordan said: "I have a contract with Damon and we are honouring that but Damon is not what we need at the moment and hopes are high that Hill will persist through this season's problems and use his ability to test and hone a car to push the Jordans to the front of the grid."

Improvement this weekend is vital if he is to paper over the cracks. Jordan is a professional driver and when things aren't good he will say they aren't good. But, in France, he thought things were good and he told us there was real improvement there. "As for Ralf, there is a little bit of a conspiracy against him in Germany. I suppose they built him up as the new wonder kid before his time but what they must realise is that he is just 23 and I hope he can bring us some points to put that speculation to rest."

Upheaval is precisely what Jordan does not need at the moment and hopes are high that Hill will persist through this season's problems and use his ability to test and hone a car to push the Jordans to the front of the grid.

Qualifying sixth and seventh in France two weeks ago, splitting the Williams cars of Jacques Villeneuve and Heinz-Harald Frentzen, was at least cause for cautious optimism, though the race brought the season's usual disappointment with Hill failing to finish and a minor excursion off the circuit consigning Schumacher to last place. Jordan said: "Consistency in the races will get us points. We have done well to pick ourselves up from what has happened this season. We have been very despondent. But we have got a better engine from Honda and this package of improvements. "So the objective is still there. We want to win and make that breakthrough. It can happen... it is just that sometimes you need the patience of a saint."



SPORT IN BRIEF

Marshall makes early return from drugs ban

ATHLETICS: Guy Marshall, the British shot putter who was banned for four years in 1995 after a positive drugs test, has been given permission to return to the sport. Marshall's appeal for reinstatement was approved by the International Amateur Athletic Federation, which last year voted to halve doping bans to two years. "I expected to serve the full four years and was prepared to do so," Marshall, 26, said. "I'm grateful for the chance to resume my career. To any youngster who might be tempted to take drugs, my message is, 'Don't.'" Marshall, from Beverley, East Yorkshire, gave six negative tests while banned. He has agreed to do what he can to educate young athletes about the dangers of taking drugs. He will make his comeback when a torn ligament in his hand heals.

Tendulkar's milestone

CRICKET: Sachin Tendulkar equalled the world record of 17 one-day international centuries when he reached three figures against Sri Lanka in Colombo yesterday. Tendulkar scored 128 in 131 balls to move level with Desmond Haynes. Sourav Ganguly scored 109 in an opening stand of 252, surpassing the previous one-day best of 225 set by Kennedy Ogie and Dipa Chudasama, of Kenya, against Bangladesh last year. Tendulkar hit eight fours and two sixes before the third umpire ruled him stamped in the 44th over. India won the match, the final of the Independence Cup, by six runs. They scored 307 for six and Sri Lanka were 301 all out in 49.3 overs.

All Blacks drop Lomu

RUGBY UNION: New Zealand have dropped Jonah Lomu, right, from the team to play Australia in the Tri-Nations Bledisloe Cup match in Melbourne on Saturday. Joeli Vidiri, who made an explosive debut for the All Blacks against England last month, will replace him. Marius Hurter, the South Africa tight head, is expected to join Newcastle, the Allied Dunbar Premiership champions, this week. Hurter, 27, of Western Province, won the last of his 13 caps last year.



Servicemen on the mark

SHOOTING: Strong performances by the Sultan of Oman's Forces, the Canadian Forces and the British Army's own Royal Gurkha Regiment marked the service rifle events that traditionally start the National Rifle Association Imperial meeting, in which regular and auxiliary forces compete with overseas troops for the overall service rifle champion. The International Services Match will be held tomorrow between Great Britain, Canada and the Sultan of Oman's Forces.

Waterloo challenge

GOLF: England, who have never won the European youth team championship, will be among the favourites for this year's event, which gets under way at the Royal Waterloo course, near Brussels, today. Philip Row, runner-up in the English amateur last summer and Ken Ferrie, a former British boys' champion, form the backbone of a side that will try to wrest the title from Scotland, Ireland and Wales are also strongly represented. The leading eight nations after the strokeplay section will form the first flight for the matchplay phase.

FOR THE RECORD

Table with cricket statistics including Sri Lanka vs India, West Indies vs Bangladesh, and various match results.

MINOR COUNTIES CHAMPIONSHIP

Table with minor counties cricket match results including Warwickshire vs Gloucestershire, Lancashire vs Yorkshire, etc.

INTER-COUNTY MATCH

Table with inter-county cricket match results including Hampshire vs Somerset, Gloucestershire vs Warwickshire, etc.

YESTERDAY'S RACING RESULTS

Table with racing results from various tracks including Newmarket, Ripon, Windsor, Newton Abbot, and Pontefract, listing winners and odds.

NEWPORT

Table with Newport racing results including various horse names and their finishing positions.

SHEEHAN on BRIDGE

By Robert Sheehan, Bridge Correspondent. This hand from the Manchester League is an example of a 'partial elimination'...

Bridge hand diagram showing cards in each hand (Dealer South, Love All, Teams) and the bidding sequence.

Contract: Six Hearts by South. The bidding is rustic. In modern methods, North is rather too strong to bid an immediate Four Hearts...

KEENE on CHESS

By Raymond Keene, Chess Correspondent. Short's renaissance. Not to be outdone, Nigel Short has matched Michael Adams's performance...

Chess board diagram showing a Nimzo-Indian Defence position with pieces and squares labeled.

White: Joel Lautier. Black: Nigel Short. Keres Memorial. Tallinn/Parnu 1998. Diagram of final position.

Table with chess results from Tallinn/Parnu final cross-table, showing wins, draws, and losses for various players.

WORD-WATCHING

By Philip Howard. ARCHIBLAST: A. The Prince on architects. B. A joke. C. A yolk. GABBART: A. A talkative braggart. B. A scaffold support. C. A fine survivor.

WINNING MOVE

By Raymond Keene. White to play. This position is from the game Schumjakina vs Tschasonikova, Russia, 1998. The white bishop on e5 is beautifully placed and now played a key role in the winning continuation.

CRICKET

England coach longs for new Snow or Tyson

By Alan Lee, Cricket Correspondent

THE lift English cricket received from a stunning escape act at Old Trafford on Monday will quickly be forgotten unless the ongoing inadequacies of the Test team are addressed. David Lloyd, the coach, readily acknowledged this yesterday and was keen to outline what must be done.

"We are constantly being hit by big pace and wrist spin," he said. "It is happening again now and it is the formula for success in Test cricket. We try our socks off but we just don't have those two components. It is time we looked ahead and did everything possible to develop them."

Lloyd is in a delicate situation, for he is not a selector, and yet the failings of the England side will increasingly be laid at his door. Scapegoats are sought in such times and, as the captain was only recently installed, the coach is the next natural target.

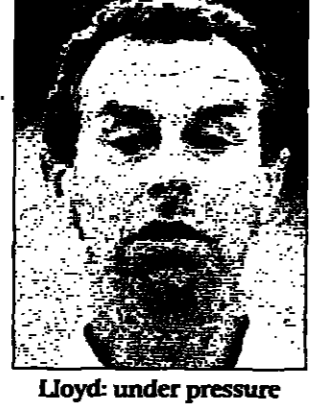
He is not unaware of this. Indeed, a study of his face during the drama of Monday was testimony to it. Lloyd is passionately keen for his team to succeed but he knows enough about football to realise the consequences of failure.

He expressed "relief and satisfaction" at the outcome of the third Test match, though the first emotion was plainly paramount. He is contracted until the end of 1999 but a heavy defeat this summer would inevitably bring calls for him to be replaced. In almost every way, this would be a shame.

Lloyd has been responsible for a more innovative and caring approach to coaching the Test side. The players respond to him; even those who are dropped generally speak well of him. But im-

provements in spirit and atmosphere count for little when the losses keep multiplying. "We have achieved something through the resilience we've shown," he reflected. "The pleasing aspect is that we didn't collapse. But at times you get fed up with a backs-to-the-wall effort. There was a lot said about the team and our game during this Test, some of it hysterical. With all this talk of crisis in the game, we have to sit back and look realistically at what we have got and what we need."

"We've got an English-style seamer who bowls an admirable line and length, we've got a lad who can bowl the best in the world out when it swings



Lloyd: under pressure

and we've got a wholehearted fast bowler who gives his all. They are all admirable in their way but none are of express pace."

Lloyd has been making a study of the electronic speed figures and estimates that England's seamers average between 78 and 84mph, whereas the South Africans, led by the superb Allan Donald, consistently record be-

tween 84 and 89. "Sometimes, Donald gets up to 91mph but it was significant that when we put a partnership together and they tired, the speed came down to our bowlers' levels and it was fairly easy to play. On the type of pitch we had at Old Trafford, that six miles an hour is the difference."

"Darren Gough is striving to bowl at 88mph and when he does he punches the air. But he can't do it consistently. Since the war we've produced only five really quick bowlers - Tyson, Trueman, Snow, Willis and Malcolm - and, just as we are doing something to develop leg spin, through an academy, we must find a way of encouraging bowlers of true pace."

Lloyd spoke admiringly of Donald, the essential difference between the sides. "Any young lad in this country wanting to bowl quick should watch a video of Donald in this game. He's been hurting, he's been knackered and yet he's kept coming and coming. Donald is a world-class performer but we have to rise to the challenge he sets."

As ever, Lloyd has staunchly supported his players, but he stresses: "In private, I will always tell them what I think. They are aware of what's going wrong - it's first-innings totals, batting resilience and that ability to nail the coffin down when we make early inroads."

An extra week before the fourth Test, at Trent Bridge, gives the selectors time for thought but changes are inevitable. Graham Thorpe's back injury may bring a recall for Graeme Hick and Ian Salisbury should return, a measure of the need for attacking wrist spin.



Roilton, the Australia vice-captain, hits out on her way to 109 against the South of England at Shenley yesterday

Australia back with a vengeance

AT LAST, they are back. Australia, the world champions, are touring England for the first time since 1987. Yesterday, at MCC's outpost ground in Shenley, Hertfordshire, they won the second of their three warm-up matches against a spirited South of England. Home supporters should be warned: this touring side is even better than its predecessors.

Lyn Larsen, captain of the 1987 Australia side that drew the one-day series but dominated the Test matches, is perfectly placed to compare. She is back as manager. "This is the strongest side we've ever had. The main advances are in the fielding and batting, where the players have taken it to a different level. With all the coaching, it's been a process of education as much as anything."

England can only look on with envy at the number of women benefiting from such coaching. Melbourne alone boasts more clubs than the 82 affiliated in England. "Melbourne is the centre of our game," Larsen said. "Over the last few years some of the clubs in Sydney have disappeared, so maybe it's contracting rather than expanding." That is despite Australia's victory in last winter's World Cup tournament in India. Without a national sponsor, each player was asked to pay A\$1,000 (£390). "The

Sarah Potter finds the world champions ready and able to live up to their formidable reputation

Belinda Clark was not required to bat yesterday but on Sunday scored 91 in an opening stand of 112. She is the player most feared by England.

England, who have gathered in Leeds ahead of Sunday's opening one-day international at Scarborough, have been keen to expose their top batswomen to pace bowling. They will play Yorkshire under-16 boys tomorrow.

Cathryn Fitzpatrick, thought to be the world's fastest female bowler, did not play for Australia yesterday but is sure to be influential on the tour. So, too, Melanie Jones. The hard-hitting middle-order Victorian could be in line for a pinch-hitter role but just as eye-catching is her athleticism in the field. She was born in England but has lived in Australia since she was three months old.

Karen Rolton, the vice-captain, caused the most damage yesterday, scoring 119. Ruth Lupton, a former England player, carried the South's hopes with 69, which in truth never threatened Australia's dominance. In keeping with more famous England teams, the opening stand of 109 soon became 114 for four. The final score of 141 for five in 50 overs meant a match lost by 102 runs and more comparisons with the class of 87.

Scotland aim to go one better

By Michael Henderson

IN THE second round of the NatWest Trophy today, Scotland are competing for a place in the quarter-finals of the senior cup competition. Their ambitions are quite proper. A victory against Worcestershire in the preliminary round gives them every encouragement for the game with Derbyshire.

They are playing in Edinburgh and go into the match knowing that they almost beat their opponents earlier this season in the Benson and Hedges Cup. Derbyshire were on the ropes at 116 for seven before they overcame the amateurs. They should expect to be tested with equal vigour today.

Scotland are without the injured Mike Allingham, who scored a half-century against Worcestershire, and Bryn Lockie, the opening batsman. They also prefer Douglas Lockhart, of Oxford University, behind the stumps to Alec Davies, and give a game to Steve Crawley ahead of another batsman, Drew Parsons. Derbyshire, without Phillip DeFreitas, who has tonsillitis, must tread warily.

The best game of the round may well be at Edgbaston, where Warwickshire play Kent. In the past ten seasons these teams have been matched against each other six times and in three of those years Warwickshire have gone on to win the trophy.

They have won the past four games but that will not discourage Kent, for whom Matthew Fleming is expected to play despite a dislocated finger. Warwickshire badly need to reshape a season that has not gone as well as it should have, and Brian Lara's personal battle with Carl Hooper provides an appetising side-issue.

At Old Trafford, Yorkshire have to banish memories of two semi-final defeats in 1996, when they contrived to lose one from a position of strength



Lara: Kentish challenge

and were handsomely beaten in the other. They will find Lancashire in no mood to yield an inch and, if that mighty smiter Andrew Flintoff finds his range, their bowlers may need to post sentries on Warwick Road.

Essex, the holders, are away to Hampshire, who wait for Robin Smith to declare his fitness. It is an important week for Essex, who contest the Benson and Hedges Cup final on Saturday, and will be without Darren Robinson, their opening batsman. He has broken a finger.

Leicestershire, the other finalists, have a difficult game at Cardiff, where Robert Croft can expect a warm reception after his match-saving batting for England. Glamorgan are still without Waqar Younis, who has an elbow injury, but Steve James hopes to play, cracked finger or no. Leicestershire have their own casualty, David Millns.

Gloucestershire will enjoy having a crack at Surrey, the team of all stars, at Bristol. Middlesex won't mind playing Durham at Southgate while, at Trent Bridge, Nottinghamshire and Somerset appear well-matched.

TEST MATCH AVERAGES

Table with columns for England and South Africa batting and bowling averages. Includes names like A.J. Stewart, M.A. Atherton, and A.A. Donald.

Cricket determined to rise above sectarian attack

THE game between Ireland and South Africa will go ahead on Friday despite arsonists having destroyed the pavilion and indoor practice facilities at Downpatrick, near Belfast, in what is believed to be a sectarian attack. Mobile cabins have been hired to use as dressing rooms.

An Orange Order march took place in the area for the first time in 12 years two days earlier, and a number of shops were also burnt down. The arsonists planted a device by the gate that originally prevented the fire service getting into the ground.

The pavilion was constructed shortly after the war, but the club itself dates back to 1849. The tragedy is that cricket is recognised as a sport without a religious divide; the

side to face South Africa in Downpatrick and in Dublin two days later will comprise both Protestant and Catholic players.

"It is a tense period over here at the moment but we are keeping our fingers crossed," John Wright, the Irish Cricket Union secretary, said. "We have been in touch several times with the South Africans and they want to play here even though there is no pavilion."

Regional plan

It is not only Lord MacLaurin of Knebworth who feels that county cricket is in need of a new structure and better incentives: the debate has now been taken up by no less an august group than the Institute of Economic Affairs. John

Blundell, the general director, is at odds with the chairman of the England and Wales Cricket Board over his desire for change.

"Lord MacLaurin recommended a very complex championship with play-offs involving all 18 teams. Three regional conferences would be a better idea, using the example of professional sports in America, where there are relatively small regional conferences," Blundell writes in Raising the Standard: A Challenge to Lord MacLaurin.

"I would build in extra incentives. Of the eight teams in the play-offs, the top four would have home advantage and would play the lower four. There would be very few games which were meaningless or where the players were



EXTRA COVER

poorly motivated, and the late-season play-offs would all have big-match atmospheres."

Opening stand

Sir Garfield Sobers will open the £7.2 million redevelopment of the Radcliffe Road stand at Trent Bridge on July 22, the day before the fourth

Test between England and South Africa. Sobers caused something of a stir in 1968 when he joined Nottinghamshire as the highest-paid player in county cricket at £5,000 for the season.

Past unveiled

The flood of cricket books shows no sign of abating. And yet the D'Oliveira affair and the long career of Lord Cowdrey of Tonbridge have never, until now, been tackled by a biographer. Ian Wooldridge, who ghosted the former England captain's autobiography nearly a quarter of a century ago, says that he will never write what he has gleaned about the events of 1968, which led to the cancellation of MCC's tour of South Africa.

Thirty years on, Government papers detailing the omission of D'Oliveira from that tour are due to be released. And Cowdrey, who would have been the captain, is to be the subject of a biography to be published next year. The author is Mark Peel, who has written about such diverse figures as Ken Barrington and Anthony Chenevix-Trench, a former headmaster of Eton.

Ball of fire

The women of England and Australia will have their own Ashes to play for this summer. A bar signed by both teams will be burnt ceremonially before the final one-day international at Lord's and the charred remains emptied into a hollowed ball that will be sealed and mounted. Unlike the original Ashes, which rest at Lord's regardless, Australia can take these home if they win the series.

Raising funds

The arrival of the Sri Lankans in England is imminent, which is glad news for all followers of the game. Their appearances will not be confined to the cricket field: on July 19, Aravinda de Silva and Sanath Jayasuriya will be raising funds to purchase sports equipment for poor children in their country at Buckhurst Hill in Essex. The afternoon will include a typical Sri Lankan meal, a dance display and the opportunity to meet both cricketers.

FATHER TIMES



The second offensive begins.

Once more unto the breach, dear friends. The battle resumes in the Second Round of the NatWest Trophy.

NatWest More than just a bank

THE WORLD CUP TODAY

FRANCE

FROM BRIAN GLANVILLE

There is still some mystery about who will line up in attack for France against Croatia, though none at all about the defence and not much about the midfield. In the latter case, it remains to be seen whether Aimé Jacquet, the France coach, will again start with Christian Karembeu on the right flank, in front of Lilian Thuram, who overlaps powerfully, or whether he will risk using Thierry Henry on the right wing from the beginning.

As Didier Deschamps, the France captain, observed yesterday, his team began the tournament with two wingers. The main reason for choosing Karembeu in the quarter-final against Italy was to limit the overlapping of Paolo Maldini, though he did very little of that in Italy's five games. Karembeu is much more versatile than Henry and France are taking seriously the threat of Robert Jarni, who scored a spectacular opening goal against Germany as an attacking wing back.

Then there is the eternal question of the centre forward. Stéphane Guivarch, as has been pointed out, lacks the experience of those French players who have spent years abroad. David Trezeguet, as Jacquet says, is really one for the future. Christophe Dugarry, even if he is fit, has surely missed too many matches with his injury.

It can be assumed that, for all his aches and pains, Emmanuel Petit, one of the pleasant surprises of this tournament, will be in midfield again. Classified as a defensive midfielder player, he has, in fact, greatly added to France's cause with his forays upfield, has scored once and had the best French shot of all early on against Italy.

On Zinedine Zidane, the burden of construction in midfield rests heavily. Though tired, by his own admission, at the end of the Italy game, he should be fully operative against Croatia. Youri Djorkaeff missed chances against Italy but was praised by his team-mates for the closing down he did. Croatia, though, could founder on the rock of Desailly. Lucky Chelsea, next season.

FRANCE (probable, 4-4-2): 16 F Berthoz — 15 L Thuram, 5 L Blanc, 8 M Desailly, 3 B Lizarazu — 19 C Karembeu, 10 Z Zidane, 17 E Petit, 7 D Deschamps — 6 Y Djorkaeff, 9 S Guivarch
 Telereport: J44 Canal+ Arena (Spain)
 COVERAGE: Television: BBC 1 (from 7.30pm), Eurosport (see live, from 10pm); Radio: BBC Radio 5 Live (from 7.30pm); Talk: Radio from 8pm

HOT SHOTS

5 G Batistuta (Argentina), C Vieri (Italy).

4: Ronaldo (Brazil), M Salas (Chile), D Soker (Croatia), L Hernández (Mexico).

3: Bebeto (Brazil), César Sampaio (Brazil), Rivaldo (Brazil), T Henry (France), J Klinsmann (Germany), D Bierhoff (Germany), D Bergkamp (Holland).

2: A Ortega (Argentina), M Wilmsch (Belgium), B Laudrup (Denmark), M Owen (England), A Shearer (England), R de Boer (Holland), P Cocu (Holland), P Wisniwsky (Holland), R Baggio (Italy), V Wouters (Jamaica), R Pelaez (Mexico), A Hadda (Morocco), S Bassir (Morocco), V Moldovan (Romania), S Barckert (South Africa), F Hierro (Spain), F Hierro (Spain), Kiko (Spain), S Komljenovic (Yugoslavia).

IN THE NET

The Times World Cup 98
<http://www.the-times.co.uk/worldcup>
 Coupe du Monde 98
<http://www.france98.com/>
 FIFA 1998 World Cup
<http://www.fifa.com/>
 BBC World Cup 1998
<http://www.bbc.co.uk/worldcup>
 Yahoo World Cup
<http://www.yahoo.co.uk/wc98/>
 Sky
<http://www.sky.co.uk/worldcup>
 Football 365
<http://www.football365.co.uk>

Sunday July 12	FINAL: Holland or Brazil v France or Croatia Stade de France	8pm	BBC1/TV, R5L/Talk	FINAL
Saturday July 11	THIRD-PLACE PLAY-OFF: Holland or Brazil v France or Croatia Parc des Princes	8pm	tba, R5L/Talk	THIRD-PLACE PLAY-OFF
July 9 & 10 REST DAYS				
Sunday July 12	France v Croatia Stade de France	8pm	BBC1, R5L/Talk	SEMI-FINALS
Tuesday July 7	Brazil 1 (Ronaldo 46) Holland 1 (Kuijvert 87) extra time being played	54,000		
July 5 & 6 REST DAYS				
Saturday July 4	Holland 2 (Kuijvert 12; Bergkamp 90) Argentina 1 (López 18)	55,000		QUARTER-FINALS
Friday July 3	Germany 0 Croatia 3 (Jarni 45; Vlačić 80; Suker 85)	39,100		
Friday July 3	Italy 0 France 0 (aet; France win 4-3 on penalties)	77,000		
Friday July 3	Brazil 3 (Bebeto 11; Rivaldo 26, 60) Denmark 2 (Jørgensen 2; B Laudrup 50)	35,500		
July 1 & 2 REST DAYS				
Tuesday June 30	Romania 0 Croatia 1 (Suker 45, pen)	34,700		SECOND ROUND (KNOCKOUT)
Monday June 29	Argentina 2 (Batistuta 6, pen; Zanetti 45) England 2 (Shearer 10, pen; Owen 18) (aet; Argentina win 4-3 on penalties)	30,600		
Monday June 29	Germany 2 (Klinsmann 75; Bierhoff 86) Mexico 1 (Hernández 47)	35,000		
Sunday June 28	Holland 2 (Bergkamp 37; Devis 90) Yugoslavia 1 (Komljenovic 49)	36,500		
Sunday June 28	France 1 (Blanc 114) Paraguay 0 (aet)	41,275		
Saturday June 27	Nigeria 1 (Babangida 77) Denmark 4 (Møller 3; B Laudrup 12; Sand 59; Helveg 76) 79,500			
Saturday June 27	Italy 1 (Vieri 18) Norway 0	59,500		
Friday June 26	Brazil 4 (César Sampaio 11, 27; Ronaldo 45, pen, 70) Chile 1 (Salas 68)	48,500		
Friday June 26	Group H Japan 1 (Nakayama 75) Jamaica 2 (Whitmore 39, 54)	43,500		FIRST ROUND
Friday June 26	Group C S Africa 2 (Barlett 18, 90, pen) S Arabia 2 (Al-Jaber 45, pen; Al-Tijanyan 73, pen) 34,500	35,000		
Friday June 26	Group G Romania 1 (Moldovan 72) Tunisia 1 (Souayah 10, pen)	80,000		
Friday June 26	Group G Colombia 0 England 2 (Anderton 20; Beckham 30)	41,275		
Thursday June 25	Group E Belgium 1 (Nils 7) South Korea 1 (Yoo Sang-Chul 70)	48,500		
Thursday June 25	Group E Holland 2 (Cocu 4; R de Boer 19) Mexico 2 (Pelaez 75; Hernández 90) 35,500	35,000		
Thursday June 25	Group F Germany 2 (Bierhoff 50; Klinsmann 53) Iran 0	39,000		
Thursday June 25	Group F United States 0 Yugoslavia 1 (Komljenovic 4)			
Wednesday June 24	Group C France 2 (Djorkaeff 13, pen; Petit 56) Denmark 1 (M Laudrup 42, pen) 43,500	34,500		
Wednesday June 24	Group C S Africa 2 (Barlett 18, 90, pen) S Arabia 2 (Al-Jaber 45, pen; Al-Tijanyan 73, pen) 34,500	34,500		
Wednesday June 24	Group D Spain 6 (Hierro 6, pen; Luis Enrique 18; Morientes 53, 81; Hago 88, 90) Bulgaria 1 (Kostadinov 59) 40,500	36,500		
Wednesday June 24	Group D Nigeria 1 (Oruma 11) Paraguay 3 (Avala 1; Benítez 59; Cardoso 86)	36,500		
Tuesday June 23	Group B Italy 2 (Vieri 49, R Baggio 90) Austria 1 (Hörang 90, pen)	75,000		
Tuesday June 23	Group B Chile 1 (Sierra 21) Cameroon 1 (Mboma 58)	39,000		
Tuesday June 23	Group A Scotland 0 Morocco 3 (Bassir 22, 85; Hadda 47)	35,500		
Tuesday June 23	Group A Brazil 1 (Bebeto 78) Norway 2 (F A Flo 83; Bekdal 88, pen)	55,000		
Monday June 22	Group G Colombia 1 (Preciado 83) Tunisia 0	35,000		
Monday June 22	Group G Romania 2 (Moldovan 47; Petrescu 90) England 1 (Owen 83)	36,500		
Sunday June 21	Group F Germany 2 (Mihaljovic 73, og Bierhoff 80) Yugoslavia 2 (Mijatovic 13; Stokovic 54)	40,775		
Sunday June 21	Group H Argentina 5 (Onega 32, 55; Batistuta 73; 79, 83, pen) Jamaica 0	48,500		
Sunday June 21	Group F United States 1 (McBride 87) Iran 2 (Estili 40; Mahdavi 84)	43,500		
Saturday June 20	Group H Japan 0 Croatia 1 (Suker 77)	39,000		
Saturday June 20	Group E Belgium 2 (Wilmsch 43, 48) Mexico 2 (García Aspe 56, pen; Blanco 63) 34,750	37,572		
Saturday June 20	Group E Holland 5 (Cocu 37; Overmars 41; Bergkamp 71; Van Hoojdonk 79, R de Boer 83) South Korea 0	55,000		
Friday June 19	Group D Nigeria 1 (Ipebi 27) Bulgaria 0	48,500		
Friday June 19	Group D Spain 0 Paraguay 0	35,300		
Thursday June 18	Group C South Africa 1 (McCarthy 52) Denmark 1 (Nielsen 13)	36,500		
Thursday June 18	Group C France 4 (Henry 36, 77; Trezeguet 68; Lizarazu 85) Saudi Arabia 0	75,000		
Wednesday June 17	Group B Chile 1 (Salas 70) Austria 1 (Vastic 90)	30,392		
Wednesday June 17	Group B Italy 3 (Di Biagio 8; Vieri 75, 89) Cameroon 0	35,500		
Tuesday June 16	Group A Scotland 1 (Burley 67) Norway 1 (H Flo 46)	30,236		
Tuesday June 16	Group A Brazil 3 (Ronaldo 9; Rivaldo 45; Bebeto 50) Morocco 0	33,266		
Monday June 15	Group G England 2 (Shearer 42; Scholes 90) Tunisia 0	54,587		
Monday June 15	Group G Romania 1 (Ilie 45) Colombia 0	37,572		
Monday June 15	Group F Germany 2 (Möller 9; Klinsmann 65) United States 0	43,815		
Sunday June 14	Group H Argentina 1 (Batistuta 28) Japan 0	33,400		
Sunday June 14	Group F Yugoslavia 1 (Mihaljovic 73) Iran 0	30,392		
Sunday June 14	Group H Jamaica 1 (Earle 45) Croatia 3 (Stanic 27; Prosnicki 53; Suker 69)	38,058		
Saturday June 13	Group D Spain 2 (Hierro 21; Raul 47)	33,257		
Saturday June 13	Group E South Korea 1 (Ha Seok-Ju 27) Mexico 3 (Pelaez 51; Hernández 74, 82) 75,588	75,000		
Saturday June 13	Group E Holland 0 Belgium 0			
Friday June 12	Group D Paraguay 0 Bulgaria 0	27,650		
Friday June 12	Group C Saudi Arabia 0 Denmark 1 (Rieper 68)	38,140		
Friday June 12	Group C France 3 (Dugarry 35; Issa 78, og; Henry 90) South Africa 0	55,077		
Thursday June 11	Group B Italy 2 (Vieri 10; R Baggio 85, pen) Chile 2 (Salas 45, 50)	31,800		
Thursday June 11	Group B Cameroon 1 (Njanka 77) Austria 1 (Polster 90)	33,480		
Wednesday June 10	Group A Brazil 2 (César Sampaio 4; Boyd 73, og) Scotland 1 (Collins 38, pen)	80,000		
Wednesday June 10	Group A Morocco 2 (Hadiji 38; Hadda 59) Norway 2 (Chippo 45, og; Eggen 61) 29,750			



FROM ROB HUGHES

One small stride from the final, which, for France would justify giving the world a World Cup in the first place. And for Croatia? An undreamt dream when, at the beginning of the decade, the guns were firing in the Balkans war. When 80,000 make their voices heard at the Stade de France tonight, the second semi-final could be determined on the character as much as the skill of players in Croatian checkered red. Marcel Desailly, up to now outstanding, will find his hands more than full with Goran Vlaovic. He, beginning this tournament as the least-known Croatia forward, a deputy for the injured Alen Boksic, has put behind him not only the conflict of his nation but a serious operation to clear fluid off the brain two years ago. With Davor Suker, whose left foot has the accuracy of a sniper, Vlaovic forms a deadly partnership. The French would crave such a pair, for with all the creativity that Zinedine Zidane provides, they have yet to discover the cutting edge of Suker. He has four goals already — no one has more than five — and how Suker would relish being top scorer in the tournament.

After Italy lost on penalties to France in the quarter-finals after a goalless 120 minutes, Gianluca Pessotto, also of Juventus, said: "Trying to mark Zidane isn't easy. He doesn't just play in the final third, he's all over the pitch. Even when he doesn't score, he produces the vital pass, and I hope now he wins the World Cup because he deserves it." On the other hand, Croatia deserve something, too. Berit Vogts, whose Germany team was knocked out by the Croats, opined that they are as technically gifted as Yugoslavia, who were 2-0 up against Germany in the group stage before being pegged back to 2-2, but more solid in defence, more rugged. More defiant, too. "From the outset, Miroslav Blazevic, the Croatia coach, said, 'I categorically considered France the odds-on favourites for this World Cup. They are favourites for this semi-final, too... like Germany were against us in the quarter-finals!'"

CROATIA (probable, 3-5-2): 1 D Ladic — 4 I Banić, 6 S Bilić, 20 D Simić — 13 M Stančić, 14 Z Sokol, 10 Z Boban, 7 A Asanović, 17 R Jarni — 19 G Vlaović, 8 D Suker

CROATIA: Boban, Bilić, Simić and Suker carry one yellow card into semi-final.
 FRANCE: Deschamps and Guivarch carry one yellow card into semi-final.

Bookmaking firms are taking more money on the World Cup than on the nation's two biggest horse races combined, according to William Hill, whose spokesman, Graham Sharpe, said: "Up to £120 million will have been gambled on the World Cup by the time it ends, equivalent to all the money staked on the Grand National and Derby." Sean Boyce, of Ladbrokes, said: "We always thought it would be big, but never dreamt it would be as huge as this."

France are 4-6 favourites with William Hill to defeat Croatia in 90 minutes tonight. Croatia are 9-2 with the draw at 15-8. To reach the final, France are quoted at 2-1 and Croatia 5-2. To win on a golden goal, France are 8-1 and Croatia 10-1, and to emerge victorious by way of penalties, both teams are 10-1. Four France players led the first goalscorer betting on 5-1: Djorkaeff, Guivarch, Henry and Trezeguet, while Suker, at 7-1, is the lowest-priced of the Croatia team.

THE GROUPS

	P W D L F A Pts		P W D L F A Pts		P W D L F A Pts		P W D L F A Pts		P W D L F A Pts		P W D L F A Pts		P W D L F A Pts		P W D L F A Pts
Brazil	3 2 0 1 6 3 6	Italy	3 2 1 0 7 3 7	France	3 3 0 0 9 1 9	Nigeria	3 2 0 1 5 5 6	Holland	3 1 2 0 7 2 6	Germany	3 2 1 0 6 2 7	Romania	3 2 1 0 4 2 7	Argentina	3 3 0 0 7 0 9
Norway	3 1 2 0 5 4 5	Chile	3 0 3 0 4 4 3	Denmark	3 1 1 1 3 4 5	Paraguay	3 1 2 0 3 1 6	Mexico	3 1 2 0 7 5 6	Yugoslavia	3 2 1 0 4 2 7	England	3 2 0 1 5 2 6	Croatia	3 2 0 1 4 2 6
Morocco	3 1 1 1 5 4 4	Austria	3 0 2 1 2 4 2	South Africa	3 0 2 1 3 6 2	Spain	3 1 1 1 8 4 4	Belgium	3 0 3 0 3 3 3	Iran	3 1 0 2 2 4 3	Colombia	3 1 0 2 1 3 3	Jamaica	3 1 0 2 3 9 3
Scotland	3 0 1 2 2 6 1	Cameroon	3 0 2 1 2 5 2	S Arabia	3 0 1 2 2 7 1	Bulgaria	3 0 1 2 1 7 1	South Korea	3 0 1 2 2 9 1	US	3 0 0 3 1 5 0	Tunisia	3 0 1 2 1 4 1	Japan	3 0 0 3 1 4 0

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WORLD CUP 98

French flair and Croatian pride a heady mixture

FROM ROB HUGHES IN PARIS

FOOTBALLERS, when they are winning, are all the president's men. When France meet Croatia in St Denis tonight in the second of the World Cup semi-finals, we shall see teams fuelled with a sense of mission beyond sport. You can feel the pressures surrounding the home side and the liberated pride of Croatia, a country with a population of a mere 4.7 million.

Presidents will be there, among the 80,000 people at the Stade de France, and I do not refer to Branko Miksa, who is president of the Croatian Football Federation, and who had his moment when he declared, after the annihilation of Germany: "Berlin has fallen today."



Deschamps is joined by Frank Leboeuf, the Chelsea defender and Times columnist, in a game of volley tennis at training yesterday

Jacquet and Deschamps happy to acknowledge influence of Blazevic

Brian Glanville finds the France coach and captain in a mood of quiet confidence before their semi-final

Out in the rural tranquility of Clairefontaine, where the France team have their lavish headquarters, Aimé Jacquet, the coach, and Didier Deschamps, the captain, held forth, tranquilly, in a kind of lecture theatre that would be the envy of many a university.

has found a balance between defence and attack. The obvious question was asked of Deschamps: how is it his team finds it so difficult to score? Well, he said, they did score goals in their first couple of games. Later, alas, their failure to do so condemned them to two periods of extra time. France had an attacking system "which worked well, until the last two matches. Against Italy, it was a special case."

Jacquet followed him on to the rostrum, and came on rather as a revivalist preacher. Detail was subordinated to euphoria, we might have been listening to a latterday, less squeaky, General de Gaulle. "We are very aware that it's a big match for us. A big evening for football. We are well prepared."

France, he said, had prepared professionally and in minute detail. "We have a fine generation of young players coming up, even if they lack experience. I hope this French team will not only play a great match but that it will go on developing." He spoke, somewhat hopefully, of a "great explosion of joy, but we'll never stop there. The public will be urging us on to the final."

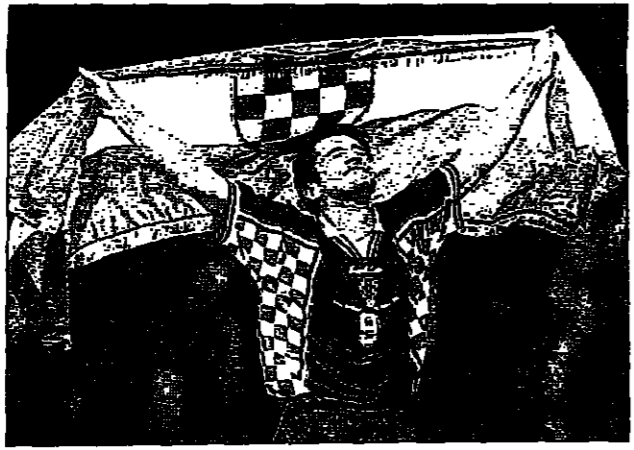
looked the part? Stéphane Guivarch says that he feels confident, but he is lucky to be in contention at all after his elbow injury in the face of Fabio Cannavaro. "If I don't score goals and we become world champions I would be the happiest of men," he admitted.

The enigmatic Youri Djorkaeff is confident of turning the trick. "I know I'm going to score. I sense it. I can't explain why I have that feeling, I just have it. I know when I'm going to shoot, when I have to pass. I am the sole master of that. Against Italy, I had two chances. One of them I put too far to the right, another Pagliuca came out and blocked."

Here, France are preparing for their semi-final at the Stade de France tonight against a Croatia team that, in sharp contrast with their hosts, has nothing to lose. They have already covered themselves in glory by coming this far. Deschamps spoke first. Small, fluent and relaxed, he plays for Juventus with much success, and feels malice to none. Not so long ago Deschamps was playing for Nantes, under the management of Miroslav Blazevic, the Croatia coach. Deschamps spoke of him with enthusiasm.

Deschamps is on a yellow card; if he gets another, and France win, he will miss the final: "I have to play the match thinking about it. I know another yellow card will put me out. I think as a spectacle, this World Cup is superior to previous ones. The opposing finalist? I have no preference. The important thing is that France get to the final. In these games, a difference is made by individual talent. It's the player who can make the difference with a dribble or a shot."

He conducted the press conference in the manner of a revivalist preacher' justified. I have followed the development of this team and its players since Euro 96. Two years later, we are playing a team which is more effective, more experienced. We know France have a great opponent before them. It's a situation we dreamt of, a situation we have prepared for for two years. Blazevic? I know him. He knows France. He knows our mentality. His knowledge of French football is profound. He will use all these advantages to prepare this match."



Suker, a feared striker, will be flying the flag for Croatia

The one you haven't seen. Emmanuel in Paris.

(Petit scores first, and France win 2-1, £20 pays £1520.)

Advertisement for Ladbrokes betting. It features a large phone number '0990 724 724' and a table of betting odds for the France vs Croatia match. The table lists various bets such as 'France to win by 1-0', 'Croatia to win by 2-0', and 'Draw', along with their respective odds. It also includes a section for 'FIRST GOALSCORER' with names like Djorkaeff, Guivarch, and Suker.

Benefit match to be played in November

A BENEFIT match involving former France and Germany internationals, due to have been played in Paris on Saturday, has been postponed until November. It had been arranged to raise money for the family of Daniel Nivel, the gendarme seriously injured by German hooligans in Lens. Fifa, the sport's world governing body, said yesterday that the game had been put back because of the elimination of Germany from the finals and the departure of their fans. A fund is being set up for Nivel, who remains in a coma in hospital.

Of the 240 drugs tests in 60 matches during the finals, none have proved positive. "It gives me great satisfaction," Dr Michel D'Hooghe, the Belgian chairman of Fifa's sports medical committee, said yesterday. "We are not yet claiming a 100 per cent victory because there are still a few games to play."

Blatter calls for more video reruns

SEPP BLATTER has yet to be installed as the next president of Fifa, the sports world governing body, yet his vigorous, hands-on approach has already had the bureaucrats scurrying for cover in Zurich, where the organisation is based. Yesterday, Blatter reserved his most damning criticism for members of Fifa's disciplinary committee. He was angered by their apparent reticence to use video replay evidence to resolve controversial incidents during the World Cup. In particular, he was not amused that Dennis Bergkamp, the Holland and Arsenal striker, escaped without censure after appearing to stamp on Siniša Mihajlovic, the Yugoslavia defender, during Holland's 2-1 second-

round victory in Toulouse. José-Manuel García Aranda, the Spanish referee, and his assistants failed to notice the misdemeanour and no subsequent action was taken, either. Blatter, 62, was also unhappy at the illegal tactics increas-

ingly used by players during the finals. "It is incredible how many players are using their hands to grab an opponent's shirt," Blatter said. "It is if they have been signed up by companies as textile testers."

He is fed up with players diving, too. "The laws of the game need to be applied," he said. "Referees, please intervene." Blatter also said that a new system for selling tickets would have to be devised in time for the 2002 World Cup finals in Japan and South Korea. "Changes must be made," he said. He denied that he had promised the 2006 finals to Africa. "It first needs to be able to offer the necessary structures," he said. Watch out for when Blatter officially takes office...



Blatter: outspoken

Advertisement for William Hill betting. It features a large headline 'FREE £10 BET' and a table of betting odds for the France vs Croatia match. The table lists various bets such as 'France to win', 'Croatia to win', and 'Draw', along with their respective odds. It also includes a section for 'FIRST GOALSCORER' with names like Djorkaeff, Guivarch, and Suker. The advertisement is for William Hill, a well-known betting company.

RACING 35

Noseda hits the big time with Wannabe Grand

SPORT

WEDNESDAY JULY 8 1998

CRICKET 39

Australia breaking new ground for women's game



Brazilian dreams thwarted as forward's late strike takes semi-final into extra time

Kluivert keeps Dutch hopes alive

Brazil 1 Holland 1 (Extra time being played)

FROM OLIVER HOIT FOOTBALL CORRESPONDENT IN MARSEILLES

A LATE goal from Patrick Kluivert, the Holland centre forward, last night forced this World Cup semi-final into extra time here at the Stade Velodrome after it had seemed that Ronaldo had edged Brazil one step closer to the retention of the trophy.

The man commonly accepted as the best player in the world had put Brazil ahead in the first minute of the second half, but with four minutes remaining, Ronald de Boer broke down the right wing and sent over a cross to Kluivert at the near post. He eluded both Aldair and Junior Baiano and directed his header powerfully downwards so that Taffarel could only push it into the net. Both sides had chances in the dying minutes but the game moved into the tension of the Golden Goal.

The first half was a crushing disappointment and at the end of the first 45 minutes the players were greeted with boos and whistles of derision rather than the applause and

gasps of delight that most had foreseen.

Ronaldo, of whom much was expected, appeared more comprehensively shackled in that first half than he has previously done. In attack, he was marshalled almost effortlessly by Frank de Boer and when, in desperation, he dropped deeper and deeper into midfield, he was constantly dispossessed by either Edgar Davids or Wim Jonk.

Brazil, in particular, seemed to be a team fighting against their own nature, struggling to restrain their attacking instincts and, in the process,

Lynne Truss 42 Rob Hughes 41 Brian Glanville 41

losing all the spontaneity that has won them so many admirers. Mario Zagallo, their coach, has long been accused of the cardinal sin of being defensively-minded and in the early stages of this game last night their supporters jeered in dismay at some of Brazil's conservative play.

Almost from the start, the Dutch were the better side. Where the Brazil players had looked nervous before the kick-off, the Dutch were in-

tensely motivated. Davids, hardly able to contain himself, went to each of his team-mates before the start to encourage them with a hug or a shake of the hand. He was his team's best player in that opening period.

After Bergkamp had chipped audaciously over the bar from 30 yards in the third minute, Cocu might have put Holland ahead three minutes later when he leapt between Junior Baiano and Aldair, but directed his header wide. Beбето wasted a similar chance for Brazil midway through the half when he met a cross from Roberto Carlos but could not keep the ball low enough.

Fifteen minutes before the interval, though the Dutch forged their best chance so far. Zenden, who was beginning to get the better of Ze Carlos, ran on to a pass inside his marker and out the ball back from the byline. Kluivert met it eight yards out, twisting his body to try to glance the ball across Taffarel, but he made too firm a contact and his header flew inches over the crossbar.

With Davids and Jonk increasingly dominating the midfield where Dunga was labouring, Zenden created another chance in the 34th minute. He got behind Ze Carlos again and this time his cross was low and hard. Ronald de Boer was flying in at the far post and seemed certain to score until Roberto Carlos did just enough to put him off and the ball flew harmlessly away for a throw-in.

Kluivert went close again on the stroke of the interval but the second half was less than 20 seconds old when Brazil stunned Holland by taking the lead.

Inevitably, given the banality of his first half performance it was Ronaldo who snapped up the opportunity. Rivaldo, who has been Brazil's outstanding player in this tournament, curled a ball in to the penalty area from deep inside his own half. Ronaldo managed to manoeuvre himself in front of Cocu, took the ball with his right foot as the defender jostled him and then slipped his shot through the legs of van der Sar. It was his fourth goal of the tournament and a tribute to his ability to appear from nowhere and deliver a killer blow.

The goal seemed to liberate the game and Brazil in particular. They had to survive a



Jonk, foreground, and Ronald de Boer combine to subdue the menace of Ronaldo in the first half last night. Photograph: Paulo Whitaker

scare in the 54th minute when Ronaldo flicked on a corner and Frank de Boer stabbed at it instinctively at the far post. His shot seemed destined for the roof of the net, but Taffarel beat it away with his hands at point-blank range and Roberto Carlos headed it over the bar with relief.

Midway through the half, though, Brazil nearly went further ahead. Ronaldo flicked

the ball on from a throw-in and bore down on goal. But just as he was about to draw his foot back to shoot, the tireless Davids flung himself into a desperate tackle and managed to take the ball off the striker's toes.

Brazil emphasised their growing dominance in the 77th minute when Denilson bamboozled Winter and crossed low for Rivaldo. The

ball got stuck between his legs four yards from goal and in the end he prodded his shot at Van der Sar from a sitting position. The goalkeeper managed to punch it away.

Kluivert missed one last glorious opportunity to equalise in the 80th minute when he sidefooted Van Hooijdonk's cross over the bar from ten yards out.

BRAZIL (4-4-2): Taffarel (Alkhorayef) — Ze Carlos (Sao Paulo), Aldair (AS Roma), Junior Baiano (Flamengo), Roberto Carlos (Real Madrid) — Cleber Sampaolo (Ava Sao Paulo), Leonardo (AC Milan), sub Emerson, Cleyber Lavoratti, 89, Dunga (Juventus), Rivaldo (Barcelona) — Ronaldo (Internacional), Beбето (Goiabaço), sub Denilson, São Paulo, 90.

HOLLAND (4-4-2): E van der Sar (Ajax) — M Reiziger (Borussia Dortmund), sub A Winter, Hermansz, 57, J Stam (Manchester United), F de Boer (Ajax), P Cocu (PSV Eindhoven) — R de Boer (Ajax), E De Vries (Juventus), W Jonk (PSV Eindhoven), B Zenden (PSV Eindhoven), sub P van Hooijdonk, Nottingham Forest, 75 — P Kluivert (AC Milan), D Bergkamp (Arsenal)

Referer: A Bujaim (United Arab Emirates)



Aldair, the Brazil defender, pays close attention to Kluivert

Crossword puzzle grid with clues and solutions.

ACROSS and DOWN crossword clues and solutions.

Menacing Ronaldo outshines strangely subdued Bergkamp

Kevin McCarra pities defenders marking the mercurial Brazilian

A SINGLE photograph would serve as a monument to Maradona. It was taken at the 1986 World Cup and there are eight men in the frame. Seven of them are Belgium players and all of them are facing and, if expressions are any guide, fearing Argentina's great magus. A dozen years on, there is a chance that a camera will once more snap such a scene.

Ronaldo's style is of a completely different nature to that of Maradona, but each possesses a domineering talent, as Holland was to confirm after his goal in last night's semi-final. When the Brazilian forward is in possession, he forces defenders to strain for a higher level of concentration. After Ronaldo's speed, touch and merciless finishing have been assessed, it remains to recognise that his mind, too, is a powerful instrument.

Taking the ball in any area of the opposition's half, he assumes that it is possible to outstrip an entire defence and score. The markers believe in the possibility quite as much as he does. Before this match, Ronaldo had taken 29 goals from 40 international appearances and no barriers that 11 people can place before him ever look sufficient.

That swooping impetus was present on one occasion in the first half against Holland, when he gathered a flick and hurtled past Davids and Cocu, before delivering a shot that was blocked by Stam. If Ronaldo has lacked anything at this World Cup, it is only reserves of energy. Two years of constant football, since the

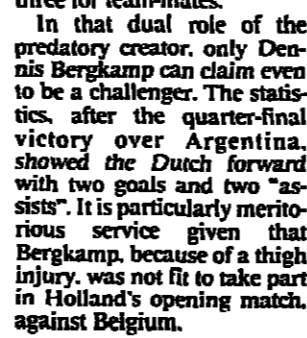
France and created another three for team-mates. In that dual role of the predatory creator, only Dennis Bergkamp can claim even to be a challenger. The statistics, after the quarter-final victory over Argentina, showed the Dutch forward with two goals and two "assists". It is particularly meritorious service given that Bergkamp, because of a thigh injury, was not fit to take part in Holland's opening match, against Belgium.

His conviction that he can decide the match rarely falters. Bergkamp, too, can overwhelm a side, but there is a clandestine element to him. Even he almost lost sight of his threat in the quarter-final. He volunteered, quite sincerely, that he could think of little else that he had done in the game other than set up one goal for Kluivert and claim the other for himself.

That writhing quality seemed unlikely to haunt Brazil and, for over an hour, his value resided in the fact that his reputation makes him a marvellous decoy. While defenders bunched around Bergkamp, there was space for Kluivert to leap and, with his headers, to place in peril Brazil's faith that they were in command of the action.

Perhaps it is as well that we are witnessing a Ronaldo who is partially subdued by a glut of football. The element of uncertainty about the outcome of this World Cup would vanish completely if he were constantly at the peak of his powers.

Three defenders were needed to stop this Ronaldo run



Three defenders were needed to stop this Ronaldo run

MORSE advertisement with text: 'You don't have to wait until the year 2000'.

Advertisement for Sun Computers with text: 'You can start panicking now. The prospect of computers crashing in the year 2000 is naturally cause for great concern.'

THE TIMES BOOKSHOP advertisement.

WORLD CUP TODAY advertisement for the Semi-final: France v Croatia (8.00, BBC).

Large vertical advertisement on the right side of the page, including 'INSIDE' and 'MORSE' sections.

Handwritten Arabic text at the bottom of the page.